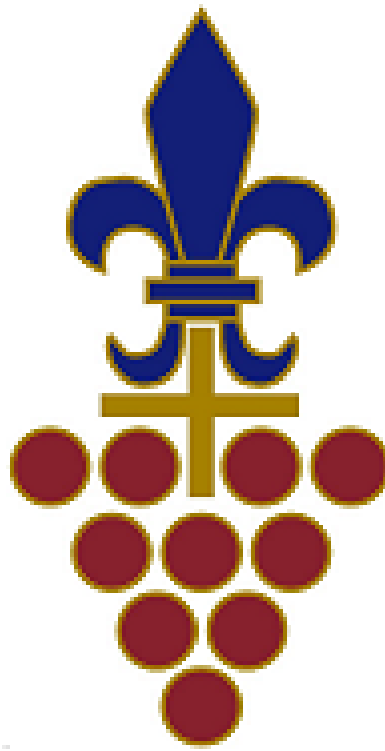




# STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

**Municipality • Umasipala • Munisipaliteit**



**Annual Financial Statements  
for the year ended  
30 June 2011**

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## General Information

---

### Council

Executive Mayor  
Deputy Executive Mayor  
Speaker  
Executive Councillors

CJ Sidego  
MG Smuts  
C Jooste  
PW Biscombe  
V Fernandez  
N Jindela  
SJ Louw  
PJ Retief  
JP Serdyn

### Councillors

Q Smit  
P Venter  
F Adams  
DS Arends  
NM August  
HC Bergstedt  
DC Botha  
A Crombie  
J Davids  
L De Villiers  
R Du Toit  
AR Frazenburg  
JSA Fourie  
N Gcaza  
NM Gugushe  
DA Hendrickse  
JK Hendricks  
S Jooste  
DD Joubert  
MC Johnson  
LX Mdemka  
C Moses  
EL Maree  
NE Mcombring  
MM Ngcofe  
RS Nalumango  
N Ntsunguzi  
WJ Pretorius  
KE Qotywa  
L Ronoti  
LN Siwakamisa  
P Sitshoti  
J Williams  
M Wanana

### Grading of local authority

Councillors Grade 4  
Personnel Grade 10

### Accounting Officer

DP Daniels  
Tel: (021) 808 8025  
Fax: (021) 808 8200

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## General Information

---

**Chief Finance Officer (CFO)**

MAC Bolton  
Tel: (021) 808 8528  
Fax: (021) 808 8574

**Registered office**

Plein Street  
Stellenbosch  
7600

**Business address**

Plein Street  
Stellenbosch  
7600

**Postal address**

P O Box 17  
Stellenbosch  
7599

**Bankers**

ABSA Bank

**Auditors**

Auditor General of South Africa

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Index

---

The reports and statements set out below comprise the annual financial statements presented to the Auditor General of South Africa:

<b>Index</b>	<b>Page</b>
Accounting Officer's Responsibilities and Approval	5
Statement from the desk of the Chief Financial Officer	6 - 10
Statement of Financial Position	11
Statement of Financial Performance	12
Statement of Changes in Net Assets	13
Cash Flow Statement	14
Accounting Policies	15 - 33
Notes to the Annual Financial Statements	34 - 79
Appendixes:	
Appendix A: Schedule of External Loans	80
Appendix B: Analysis of Property, Plant and Equipment	81
Appendix C: Segmental Analysis of Property, Plant and Equipment	84
Appendix D: Segmental Statement of Financial Performance	87
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	91
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	92
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act	93
Appendix G: Supply Chain Management Deviations	94

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Index

---

### Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Officer's Responsibilities and Approval

---

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 32 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on page 11 to 79 which have been prepared on the going concern basis, is hereby certified.

---

**Accounting Officer**  
**DP Daniels**

**Date: 31 August 2011**

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Statement from the desk of the Chief Financial Officer

### 1. Introduction

It is my pleasure to give a brief summary of the financial results of our Council for the financial year ending 30 June 2011.

The municipality, being classified as high capacity, is required to implement Generally Recognised Accounting Practices (GRAP). Accordingly the financial statements for the year ending 30 June 2011 have been prepared in the GRAP format.

The financial activities of the year are reviewed in the various sections of this report.

### 2. Key financial indicators

Ratio Description	2010/2011	2009/2010
<b>Current Ratio</b> <i>The generally accepted norm in this regard is a ratio of 2:1. The ratio for 2010/2011 shows an improvement and illustrates the municipality's ability to meet its short term obligations.</i>	2.94	2.19
<b>Revenue Management</b> Actual income vs Budgeted income <i>It should be noted that the income displayed in the Statement of Financial Performance includes billed income based on prescribed accrual accounting. Further discussion on the income performance can be found under number 3 below.</i>	112.78%	124.53%
Level of reliance on government grants <i>This ratio illustrates the level of reliance a municipality has on government grant funding and it therefore follows from the results that the municipality is able to fund its operations from own sources.</i>	11.88%	12.16%
<b>Expenditure Management</b> Actual expenditure vs Budgeted expenditure <i>It should be noted that the expenditure displayed in the Statement of Financial Performance includes billed expenditure and various other financial transactions as allowed for by GRAP.</i>	98.26%	96.19%
Personnel costs to total expenditure <i>The ratio as calculated is based on actual expenditure whereas the budgeted personnel costs to total expenditure budget is calculated as 28.51% (2009/2010: 28.74%)</i>	28.14%	28.43%
Interest paid as percentage of total expenditure <i>The generally accepted norm in this regard is 15%. The ability to fund our capital programmes to some extent from own sources, and not external finance, is the main reason that Stellenbosch Municipality is exemplary in the performance of this ratio.</i>	0.51%	0.42%
Repairs and maintenance/Total expenditure <i>This ratio is calculated to benchmark compliance to National Treasury's Circular 55 issued on 7 March 2011 urging municipalities to prioritise allocations to repairs and maintenance and the renewal of existing infrastructure. Budgeted repairs and maintenance against total budgeted expenditure is 7.31% compared to 2009/2010 of 4.24%.</i>	6.05%	6.08%
<b>Asset Management</b> Acquisition of PPE – Actual vs Budgeted <i>This ratio illustrates the year-on-year improvement in capital spending performance (capacity to spend).</i>	77.89%	66.52%

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Statement from the desk of the Chief Financial Officer

Consumer debtors collection period	2010/2011 44 days	2009/2010 41 days
<i>Notwithstanding management's efforts to continuously improve and re-engineer credit control processes/procedures, it's clear that the deterioration of the payment period compared to the previous year is indicative of conditions in the macro and micro economic environment that contributed to some extent to the ability of our consumers to honor debt within industry norms.</i>		
<b>Debt Management</b>		
Total liabilities/Total assets	10.77%	9.72%
<i>Using this ratio to analyse the solvency of the organisation, it is clear that the municipality's assets exceeds it's recorded liabilities by far and gives assurance of the municipality's ability to maintain a sound/healthy level of solvency over the long term.</i>		

### 3. Operating Results

The overall summarised operating results for the municipality in comparison to the approved budget are shown below. The Statement of Financial Performance reflects a summary of income and expenditure, whilst the segmental operating results per service are shown in Appendix D of the annual financial statements.

	2010/2011		2009/2010	
	Actual	Budget	Actual	Growth
<b>Revenue</b>				
Property Rates	183 291 413	169 414 900	179 193 657	2.29%
Service Charges	454 860 873	403 590 305	375 070 311	21.27%
Grants and subsidies	96 788 177	61 821 058	94 922 309	1.97%
Other	79 545 885	87 381 105	131 415 844	-39.47%
	<b>814 486 348</b>	<b>722 207 368</b>	<b>780 602 121</b>	<b>4.34%</b>
	2010/2011		2009/2010	
	Actual	Budget	Actual	Growth
<b>Expenditure</b>				
Employee related costs	206 723 293	213 137 545	192 428 326	7.43%
Bulk purchases	173 670 985	164 480 517	137 872 956	25.96%
Depreciation	90 603 459	109 493 480	119 482 204	-24.17%
Finance cost	3 752 322	4 202 701	2 824 714	32.84%
Repairs and Maintenance	44 409 572	54 666 466	41 133 982	7.96%
Other	215 364 095	201 526 195	183 097 363	17.62%
	<b>734 523 726</b>	<b>747 506 904</b>	<b>676 839 545</b>	<b>8.52%</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>79 962 622</b>	<b>-25 299 536</b>	<b>103 762 576</b>	

Revenue has increased by 4.34%, whilst expenditure increased with 8.52% between the respective financial years. A comparison of actual results to the approved budget and explanations for material differences are set out in Appendix E(1) of the financial statements.

## Statement from the desk of the Chief Financial Officer



# Stellenbosch Municipality

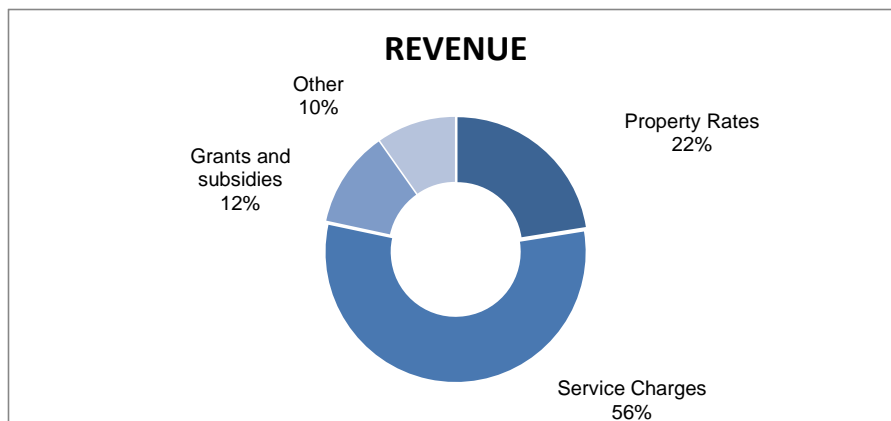
Annual Financial Statements for the year ended June 30, 2011

## 3.1 Operating revenue

The major revenue streams that supported the programmes and activities of the municipality were:

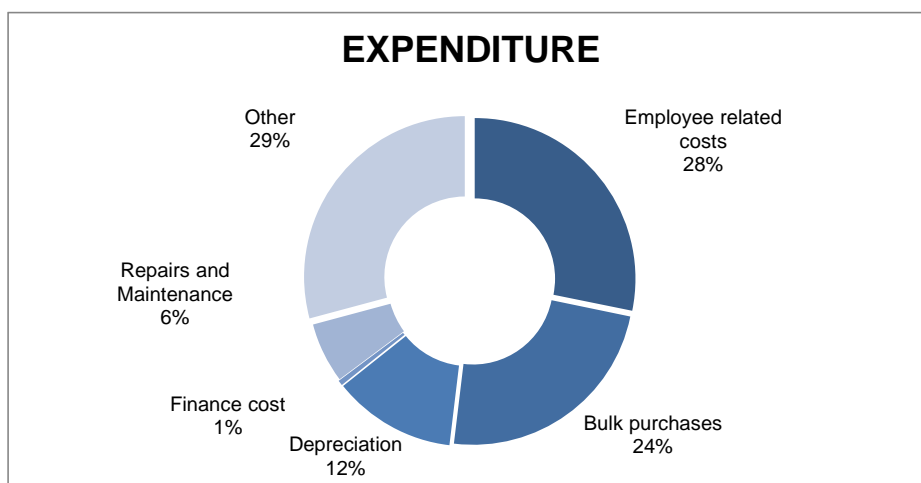
- property rates
- service charges, which consist of the following:
  - ~ electricity sales
  - ~ water sales
  - ~ waste water management(sewerage and sanitation); and
  - ~ waste management (refuse)
- government grants and subsidies
- other

The municipality experienced total revenue growth of only 4.34% on the amounts realised in the previous financial year made possible by means of cost saving measures which included amongst other strategies, minimisation of wastage. The following graph indicates the main categories of income



## 3.2 Operating expenditure

The following graph indicates the main categories of expenditure for the year under review. The proactive management and containment of the increasing cost of delivering services are key priorities in the municipality whilst also trying to comply with National Treasury's Circular No. 55 requiring increased investment in the maintenance of our asset base. The increase in bulk services was due to the above average electricity supply tariff increases. Further detail is contained in notes 27 to 42 of the annual financial statements.



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Statement from the desk of the Chief Financial Officer

### 4. Capital expenditure and financing

Capital expenditure incurred during the year amounted to R112 695 051 which represents 77.89% of the approved capital budget.

Capital expenditure per function	2010/2011			2009/2010
	Actual	Budget	Variance	Actual
Executive & Council	49 854	50 000	-146	374 005
Budget and Treasury Office	509 716	525 000	-15 284	271 528
Corporate Services	4 580 247	4 801 020	-220 773	7 136 031
Community & Social Services	753 396	802 627	-49 231	1 900 721
Sport & Recreation	6 010 131	6 472 617	-462 486	39 830 545
Public Safety	863 447	931 467	-68 020	3 240 257
Housing	1 684 564	3 242 000	-1 557 436	9 658 948
Planning and Development	1 813 304	2 570 196	-756 892	4 800 552
Road Transport	34 297 892	38 069 365	-3 771 473	25 400 495
Electricity	4 604 819	23 756 220	-19 151 401	27 613 203
Water	16 796 646	19 226 600	-2 429 954	5 923 215
Waste Water Management	26 328 582	28 562 004	-2 233 422	15 120 583
Waste management	14 402 452	15 679 996	-1 277 544	7 270 140
<b>Total expenditure</b>	<b>112 695 051</b>	<b>144 689 112</b>	<b>-31 994 061</b>	<b>148 540 223</b>

Source of finance	2010/2011			2009/2010
	Actual	Budget	Variance	Actual
Capital Replacement Reserve	51 205 369	54 063 539	-2 858 170	86 068 157
Grants - National Treasury	18 536 966	18 536 966	-	31 225 470
Grants - Provincial Treasury	10 097 752	16 079 202	-5 981 450	8 955 553
External Borrowings	25 006 098	47 652 220	-22 646 122	11 123 576
Public Contributions	4 136 368	4 368 000	-231 632	11 023 522
Other	3 712 498	3 989 185	-276 687	143 945
<b>Total funding</b>	<b>112 695 051</b>	<b>144 689 112</b>	<b>-31 994 061</b>	<b>148 540 223</b>

### 5. Consumer Debtors

Outstanding consumer debtors at 30 June 2011 were R118 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R 32 million. In this regard, R11 million was written off (impaired) during the year under review. The below-mentioned results are indicative of an improvement in management's efforts to manage debt.

	2010/2011	2009/2010
Consumer Debtors	86 325 448	70 626 635
Debt Impairment	32 107 275	34 455 674
Gross Consumer Debtors	118 432 723	105 082 309
Billed Revenue	656 191 547	570 602 440
Percentage debt to Service Revenue	18.05%	18.42%
Consumer Debtors less Current Portion	95 026 932	85 766 258
Billed Revenue	656 191 547	570 602 440
Percentage debt to Service Revenue	14.48%	15.03%

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

---

## Statement from the desk of the Chief Financial Officer

---

### 6. Borrowings, Investments and Cash

Interest-bearing debt increased to R 41 million in the financial year ended 30 June 2011 to finance specific infrastructure projects approved by Council. Cash and cash equivalents (cash investments) increased by R 73 million to close off the financial year with R 313 million. The municipality's improved position resulted from amongst other factors from more effective debt management, cost saving strategies and savings on external loan repayments.

### 7. Cash Flow Analysis

	2010/2011	2009/2010
Cash and cash equivalents - 30 June 2010	240 380 916	214 846 490
Net increase/(decrease) in cash and cash eq.	73 042 204	25 534 426
<b>Cash and cash equivalents - 30 June 2011</b>	<b>313 423 120</b>	<b>240 380 916</b>

### 8. General

The overall financial results are generally considered to be acceptable and the positive trends are evident in the abovementioned ratios. In order to sustain and improve this situation, the maintenance of sound financial management practices and doing more with less is required as well as the timeous mitigation of risks that impact on financial sustainability by instituting appropriate measures to address such risks. The municipality will have to employ proactive strategies to ensure that services are delivered in the most cost effective manner. The Financial Statements reflects the financial position of Stellenbosch Municipality as at 30 June 2011 and its financial performance and its cash flows for the year ended in accordance with the SA standards of GRAP and in the manner required by the MFMA and DORA.

### 9. Appreciation

I acknowledge the contribution, loyalty and passion with which staff of the Directorate: Financial Services performed there tasks during the year under review and in particular the staff of the Budget Office for their unselfish efforts in ensuring that the preparation and compilation of these financial statements are of a high standard, notwithstanding the challenges experienced as a result of the extent of capital spending during quarter four.

---

Chief Financial Officer

MAC Bolton

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Statement of Financial Position

Figures in Rand	Note(s)	2011	Restated 2010
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	4	5,153,149	3,175,251
Long term receivables	9	153,400	306,779
Trade and other receivables from exchange transactions	5	44,105,843	16,061,126
VAT receivable	6	4,918,530	6,334,122
Consumer debtors	3	86,325,448	70,626,635
Cash and cash equivalents	2	313,423,120	240,380,916
		<b>454,079,490</b>	<b>336,884,829</b>
<b>Non-Current Assets</b>			
Biological assets	7	15,787,529	13,529,438
Investment property	8	523,325,000	522,611,500
Property, plant and equipment	10	2,649,534,957	2,604,919,959
Long term receivables	9	804,977	504,575
Reimbursed asset	15	19,342,105	19,342,105
		<b>3,208,794,568</b>	<b>3,160,907,577</b>
Non-current assets held for sale and assets of disposal groups		65,000	555,000
<b>Total Assets</b>		<b>3,662,939,058</b>	<b>3,498,347,406</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	14	3,782,995	4,601,776
Operating lease liability	13	145,649	8,717
Trade and other payables from exchange transactions	16	72,418,771	70,775,139
Consumer deposits	11	9,374,720	8,211,609
Employee benefit obligations	12	4,483,008	4,578,048
Unspent conditional grants and receipts	17	62,818,664	63,163,503
Provisions	15	1,616,079	2,320,094
		<b>154,639,886</b>	<b>153,658,886</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	14	58,031,661	35,199,023
Employee benefit obligations	12	131,602,659	105,861,695
Provisions	15	50,195,362	45,437,461
		<b>239,829,682</b>	<b>186,498,179</b>
<b>Total Liabilities</b>		<b>394,469,568</b>	<b>340,157,065</b>
<b>Net Assets</b>		<b>3,268,469,490</b>	<b>3,158,190,341</b>
<b>Net Assets</b>			
Reserves			
Revaluation reserve	20	904,394,160	872,522,911
Housing development fund	19	11,329,258	8,673,735
Accumulated surplus		2,352,746,072	2,276,993,695
<b>Total Net Assets</b>		<b>3,268,469,490</b>	<b>3,158,190,341</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Statement of Financial Performance

Figures in Rand	Note(s)	2011	Restated 2010
<b>Revenue</b>			
Property rates	21	183,291,413	179,193,657
Service charges	26	454,860,873	375,070,311
Property rates - penalties imposed and collection charges	21	2,372,716	2,132,469
Rental of facilities and equipment	25	11,595,026	9,980,472
Interest Earned - Outstanding Debtors	23	4,071,819	4,225,531
Income from agency services		1,128,131	1,012,783
Fines		14,061,397	16,519,358
Licences and permits		4,462,400	4,063,364
Government grants & subsidies	22	96,788,177	94,922,309
Other income	24	17,302,686	13,532,589
Interest received - investment	23	19,756,636	19,752,254
<b>Total Revenue</b>		<b>809,691,274</b>	<b>720,405,097</b>
<b>Expenditure</b>			
Employee related costs	30	(206,723,293)	(192,428,326)
Remuneration of councillors	32	(9,681,174)	(9,338,257)
Contribution to/from provisions	38	(38,661,161)	(18,106,382)
Depreciation and amortisation	28	(90,603,459)	(119,482,204)
Impairment loss/ Reversal of impairments		(7,970,285)	-
Finance costs		(3,752,322)	(2,824,714)
Debt impairment	29	(11,316,077)	(12,700,929)
Collection costs		(93,983)	(89,875)
Repairs and maintenance		(44,409,572)	(41,133,982)
Bulk purchases	27	(173,670,985)	(137,872,956)
Contracted services	40	(8,148,412)	(6,542,598)
Grants and subsidies paid	41	(563,833)	(864,356)
General Expenses	31	(138,804,372)	(135,341,651)
<b>Total Expenditure</b>		<b>(734,398,928)</b>	<b>(676,726,230)</b>
Loss on disposal of assets and liabilities		(3,317)	(93,614)
Fair value adjustments	39	4,795,074	60,197,024
Inventories: (Write-down)/reversal of write-down to net realisable value		(121,481)	(19,701)
<b>Surplus for the year</b>		<b>79,962,622</b>	<b>103,762,576</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing Development Fund	Total reserves	Accumulated surplus	Total net assets
<b>Balance at July 01, 2009 as previously reported</b>	<b>674,721,222</b>	<b>6,898,299</b>	<b>681,619,521</b>	<b>2,230,146,816</b>	<b>2,911,766,337</b>
Changes in net assets					
Prior year adjustments	-	-	-	17,651,907	17,651,907
Total prior period adjustments	-	-	-	17,651,907	17,651,907
Surplus for the year	-	-	-	103,762,576	103,762,576
Total recognised income and expenses for the year	-	-	-	121,414,483	121,414,483
Land and buildings revaluations	187,446,500	-	187,446,500	-	187,446,500
Offset of depreciation	(5,238)	-	(5,238)	-	(5,238)
Transfer to housing development fund	-	1,775,436	1,775,436	(2,478,328)	(702,892)
Movement in capital replacement reserve	-	-	-	16,767,057	16,767,057
Movement in capitalisation reserve	-	-	-	13,830,996	13,830,996
Movement in government grants reserve	-	-	-	(37,434,516)	(37,434,516)
Movement in donations and public contributions reserve	-	-	-	(8,042,867)	(8,042,867)
Movement in self insurance reserve	-	-	-	1,094,270	1,094,270
Movement on surplus	10,360,427	-	10,360,427	(58,304,216)	(47,943,789)
Total changes	197,801,689	1,775,436	199,577,125	46,846,879	246,424,004
<b>Balance at July 01, 2010 as restated</b>	<b>872,522,911</b>	<b>8,673,735</b>	<b>881,196,646</b>	<b>2,276,993,695</b>	<b>3,158,190,341</b>
Changes in net assets					
Surplus for the year	-	-	-	79,962,622	79,962,622
Land and buildings revaluation	31,871,249	-	31,871,249	-	31,871,249
Transfer to housing development fund	-	3,350,837	3,350,837	(3,350,837)	(3,350,837)
Movement in capital replacement reserve	-	-	-	658,935	658,935
Movement in capitalisation reserve	-	-	-	(12,827,501)	(12,827,501)
Movement in governments grants reserve	-	-	-	24,570,361	24,570,361
Movement in donations and public contributions reserve	-	-	-	3,695,145	3,695,145
Movement in self insurance reserve	-	-	-	1,063,480	1,063,480
Movement on Surplus	-	(695,314)	(695,314)	(18,019,828)	695,314
Total changes	31,871,249	2,655,523	34,526,772	75,752,377	110,279,149
<b>Balance at June 30, 2011</b>	<b>904,394,160</b>	<b>11,329,258</b>	<b>915,723,418</b>	<b>2,352,746,072</b>	<b>3,268,469,490</b>
Note(s)	20	19			

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Cash Flow Statement

Figures in Rand	Note(s)	2011	Restated 2010
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		689,074,642	605,730,534
Grants		96,788,177	94,922,309
Interest income		23,828,455	19,752,254
		<u>809,691,274</u>	<u>720,405,097</u>
<b>Payments</b>			
Employee costs		(216,404,467)	(201,766,583)
Suppliers		(426,830,903)	(352,334,996)
Finance costs		(3,752,322)	(2,824,714)
		<u>(646,987,692)</u>	<u>(556,926,293)</u>
<b>Net cash flows from operating activities</b>	33	<b><u>162,703,582</u></b>	<b><u>163,478,804</u></b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(112,695,051)	(148,540,224)
Proceeds from sale of property, plant and equipment	10	-	1,046,205
Increase/Decrease in long term receivables		(147,023)	417,402
Proceeds from sale of other assets		3,728	-
<b>Net cash flows from investing activities</b>		<b><u>(112,838,346)</u></b>	<b><u>(147,076,617)</u></b>
<b>Cash flows from financing activities</b>			
Repayment of other financial liabilities		(3,153,551)	(2,565,125)
Increase in loan Recieved		25,167,408	11,123,576
Consumer Deposits		1,163,111	573,788
<b>Net cash flows from financing activities</b>		<b><u>23,176,968</u></b>	<b><u>9,132,239</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>73,042,204</u></b>	<b><u>25,534,426</u></b>
Cash and cash equivalents at the beginning of the year		240,380,916	214,846,490
<b>Cash and cash equivalents at the end of the year</b>	2	<b><u>313,423,120</u></b>	<b><u>240,380,916</u></b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1. Basis of Preparation

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated financial statements and accounting for controlled entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interest in Joint Ventures
GRAP 9	Revenue
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

GRAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

These accounting policies and the applicable disclosures have been based on the International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non Cash-Generating Assets
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an arrangement contains a lease

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

#### 1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.1 Significant judgements and sources of estimation uncertainty (continued)

#### Revenue Recognition

Accounting Policy 1.14 on Revenue from Exchange Transactions and Accounting Policy 1.15 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

#### Financial assets and liabilities

The classification of financial assets and liabilities is based on judgement by management.

#### Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

**Impairment of Financial Assets** - Accounting Policy 1.12: Financial Instruments, referring to paragraph on Impairment of Financial Assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the Annual Financial Statements.

**Useful lives of Property, Plant and Equipment** - As described in Accounting Policy 1.7, the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge and are revalued annually.

**Defined Benefit Plan Liabilities** - The municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the Annual Financial Statements.

#### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 15 - Provisions.

### 1.2 Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and amounts are rounded off to the nearest R1.

### 1.3 Going Concern Assumption

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.4 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

### 1.5 Internal reserves

#### Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

#### Capitalisation reserve

On the implementation of GAMAP/GRAP, the balance of certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, were transferred to a Capitalisation Reserve rather than the accumulated surplus/deficit, as in prior years, in terms of a directive (Circular No. 18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus/deficit.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/deficit.

#### Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

#### Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.5 Internal reserves (continued)

#### Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

### 1.6 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment in particular land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

### 1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

#### Measurement

Property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.7 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent to initial recognition, items of property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, where applicable.

Subsequent to initial recognition, buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.7 Property, plant and equipment (continued)

#### Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets and after taking into account the residual value of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following originally estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

Infrastructure	Years	Other	Years
Roads and Paving	10-100	Buildings	30
Electricity	10-50	Specialist vehicles	10
Water	10-100	Other vehicles	5
Sewerage	10-100	Office equipment	1-7
Housing	30	Furniture and fittings	1-10
		Watercraft	15
Community Improvements	30	Bins and containers	5
Recreational Facilities	20-30	Specialized plant and Equipment	10-15
Security	5	Other plant and Equipment	2-5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statements of Financial Performance.

#### Heritage assets

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

#### Land

Land is not depreciated as it is deemed to have an indefinite useful life.

#### Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

#### Disposal of property, plant and equipment

The book values of assets are written off on disposal. The difference between the carrying value of assets and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

#### Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

#### Derecognition

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying value and is recognised in the Statement of Financial Performance.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost of fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Intangible assets with finite useful lives are amortised over its useful life. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised but is subject to an annual impairment test.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary asset, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Intangible assets are annually tested for impairment.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The intangible assets under the control of the municipality are amortised according to the straight line method as follows:

Item	Useful life
Computer software, other	3 years

### 1.9 Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods and services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction(i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.9 Investment property (continued)

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. The valuations are performed annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of the surplus and deficit.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property and from property held for sale in the ordinary course of business:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- land held for a currently undetermined future use.
- a building owned and leased out under one or more operating leases
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- a building that is vacant but is held to be leased out under one or more operating leases.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

### 1.10 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

### 1.11 Biological assets

Biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the municipality, if the municipality:

- Controls the asset as a result of a past event.
- Regards the inflow of future economic benefits from the use of the asset to be probable.
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Biological assets are measured at fair value at each financial year end, less estimated point-of-sale costs. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Point-of-sale costs include commissions to brokers, levies by regulatory agencies and as well as transfer taxes and duties.

The changes in fair value less point-of-sale costs from one financial year end to the next are recognised as revenue in the Statement of Financial Performance

Item	Useful life
Trees in a plantation forest	Indefinite

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.12 Financial Instruments

Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

#### Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- Financial assets at fair value through profit or loss.
- Loans and Receivables,
- Held to maturity investments and
- Financial assets available for sale.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the Statement of Financial Performance.

They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.

#### Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

#### Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

#### Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially and subsequently measured at fair value at the statement of financial position date, except for investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

#### Impairment of financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exist that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of the debtor. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in surplus or deficit.

An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.12 Financial Instruments (continued)

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer debtors are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

Other debtors consist among other of various debtors and/or suspense accounts with debit balances. These other debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable. Should an individual debtor or group of debtors and or suspense account be regarded as irrecoverable, a provision for impairment is made.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account and the amount of loss is recognised in the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

### Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

The municipality measures all financial liabilities including trade and other payables, at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

### Trade Payables and Other

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, which is the initial carrying amount, less repayments, plus interest.

### Derecognition of financial assets and liabilities

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.12 Financial Instruments (continued)

amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

### 1.13 Inventories

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### 1.14 Revenue from exchange transactions

Revenue is derived from a variety of sources that include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where revenue and the underlying asset (receivable) has already been recognised based on the information available at the time of the transaction and subsequently arises as to the recoverability of the receivable, an impairment loss, also known as a bad debt provision, is created and the provision is set-off against the receivables, as a provision for impairment.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.14 Revenue from exchange transactions (continued)

Revenue is recognised as follows:

#### Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

#### Pre-paid electricity

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

#### Dividends

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

#### Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

#### Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.14 Revenue from exchange transactions (continued)

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

#### Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

#### Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

### 1.15 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

#### Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

#### Fines

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

When an estimate can be made for the revenue amount that is expected to be collected from spot fines based on past experience of amounts collected, this is recognized as revenue. Where a reliable estimate cannot be made, revenue from spot fines is recognized when paid by the offender. Revenue from the issuing of summonses is only recognized when notified by the public prosecutor of the amount actually collected.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.15 Revenue from non-exchange transactions (continued)

#### Donations and Contributions

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. Conditions on a transferred asset give rise to a present obligation on initial recognition.

On initial recognition, gifts and donations (including goods in-kind) are measured at their fair value as at the date of the acquisition, which may be ascertained by reference to an active market, or by appraisal.

#### Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

#### Unallocated deposits

Unallocated deposits in the municipality's bank account are temporarily posted to a separate suspense account. The balance in this account at year-end is disclosed as a creditor in the annual financial statements.

Amounts not allocated within three years are transferred to revenue under 'other income'. In the unlikely event of an amount subsequently (after three years) identified as a payment on a consumer debtor account, any re-allocation will be treated as a correction of a prior period error in terms of GRAP 3.

### 1.16 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

### 1.17 Employee benefits

#### Short-term employee benefits

The costs of all short-term employee benefits those payable within 12 months after service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) such as leave pay, are recognised during the period in which the employee renders the related service and are not discounted. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

#### Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.17 Employee benefits (continued)

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Municipality provides retirement benefits for its employees and councillors that includes post retirement medical aid benefits and long service awards.

#### Medical Aid: Continued Members

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

#### Actuarial Gains and Losses

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed bi-annually.

#### Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

#### Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to applicable note of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

### 1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.18 Provisions and contingencies (continued)

#### **Accrued Leave Pay**

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave days owing to employees and is reviewed annually.

#### **Provision for the rehabilitation of landfill sites**

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

#### **Provision for removal of alien vegetation**

At year end a provision is raised for the removal of alien vegetation. The provision is the net present value of the future cash flows of removing existing alien vegetation at year end.

#### **Provision for constructive obligations (Grant-in-aid contributions)**

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.19 Leases

#### The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities are raised as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense on a straight-line basis (where applicable) over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. Any contingent rents are expensed in the period they are incurred.

#### The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised and recorded on a straight-line basis (where applicable) over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income from leases is disclosed under revenue in the Statement of Financial Performance.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

### 1.20 Borrowing costs

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

### 1.21 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at fair value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

### 1.22 Value Added Tax

The Municipality accounts for Value Added Tax on the cash (receipt) basis.



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.23 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

### 1.24 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was recorded. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

### 1.27 Foreign currencies

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

### 1.28 Comparative figures

#### Current year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

#### Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Accounting Policies

---

### 1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

### 1.30 Related parties

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

### 1.31 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

### 1.32 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 103 Heritage Assets - issued July 2008

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date has not been determined yet.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 2. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5,710	5,710
Bank balances	12,190,717	15,402,611
Short-term deposits	301,226,693	224,972,595
	<b>313,423,120</b>	<b>240,380,916</b>

#### Current investment deposits

Call deposits	301,226,693	224,972,595
---------------	-------------	-------------

Call Deposits are investments with a maturity period between 3 and 12 months and earn interest rates varying from 7 % to 15 % per annum.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	2011	2010	2009	2011	2010	2009
ABSA Bank - Stellenbosch Branch - Primary Bank Account - 410 188 031	14,581,609	15,123,125	21,254,118	14,743,358	15,306,694	16,344,448
ABSA Bank - Stellenbosch Branch - Municipal Services Account - 407 007 5635	-	-	-	-	-	-
ABSA Bank - Stellenbosch Branch - Traffic Account - 407 157 9787	-	-	-	-	-	-
<b>Total</b>	<b>14,581,609</b>	<b>15,123,125</b>	<b>21,254,118</b>	<b>14,743,358</b>	<b>15,306,694</b>	<b>16,344,448</b>

#### Cash and cash equivalents

Cash Floats and Advances	5,710	5,710
Other Cash Equivalents	12,190,717	15,402,611
<b>Cash on hand in Cash Floats, Advances and Equivalents</b>	<b>12,196,427</b>	<b>15,408,321</b>

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>3. Consumer debtors</b>		
<b>Gross balances</b>		
Rates	32,099,204	34,372,469
Electricity	14,625,835	12,423,957
Water	25,223,796	18,824,155
Sewerage	8,402,652	6,206,290
Refuse	9,027,638	7,179,862
Housing rental	29,053,598	26,075,576
	<b>118,432,723</b>	<b>105,082,309</b>
<b>Less: Provision for debt impairment</b>		
Rates	(8,273,765)	(4,726,777)
Electricity	(3,419,720)	(2,441,052)
Water	(7,612,038)	(7,599,341)
Sewerage	(2,844,672)	(2,197,922)
Refuse	(3,030,368)	(2,844,579)
Housing rental	(6,926,712)	(14,646,003)
	<b>(32,107,275)</b>	<b>(34,455,674)</b>
<b>Net balance</b>		
Rates	23,825,439	29,645,692
Electricity	11,206,115	9,982,905
Water	17,611,758	11,224,814
Sewerage	5,557,980	4,008,368
Refuse	5,997,270	4,335,283
Housing rental	22,126,886	11,429,573
<b>Total Consumer Debtors</b>	<b>86,325,448</b>	<b>70,626,635</b>
<b>Total Consumer Debtors excluding VAT</b>	<b>86,325,448</b>	<b>70,626,635</b>
<b>Rates</b>		
Current (0 -30 days)	5,290,869	41,690
31 - 60 days	1,130,982	5,954,317
61 - 90 days	958,430	1,557,897
91 - 120 days	646,096	1,264,836
121 - 365 days	9,359,088	2,050,703
> 365 days	14,713,739	23,503,026
	<b>32,099,204</b>	<b>34,372,469</b>
<b>Electricity</b>		
Current (0 -30 days)	8,535,711	(5,788)
31 - 60 days	901,395	7,426,934
61 - 90 days	639,806	444,836
91 - 120 days	405,211	275,022
121 - 365 days	1,143,343	245,620
> 365 days	3,000,369	4,037,333
	<b>14,625,835</b>	<b>12,423,957</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>3. Consumer debtors (continued)</b>		
<b>Water</b>		
Current (0 -30 days)	4,392,294	(11,396)
31 - 60 days	1,429,590	3,875,149
61 - 90 days	1,767,583	1,429,584
91 - 120 days	1,241,167	1,205,460
121 - 365 days	5,391,409	893,450
> 365 days	11,001,753	11,431,908
	<b>25,223,796</b>	<b>18,824,155</b>
<b>Sewerage</b>		
Current (0 -30 days)	996,380	(8,636)
31 - 60 days	369,414	797,517
61 - 90 days	325,695	185,804
91 - 120 days	292,457	136,160
121 - 365 days	2,391,053	4,984,824
> 365 days	4,027,653	110,621
	<b>8,402,652</b>	<b>6,206,290</b>
<b>Refuse</b>		
Current (0 -30 days)	895,461	(8,488)
31 - 60 days	341,123	796,940
61 - 90 days	302,242	248,538
91 - 120 days	297,043	214,294
121 - 365 days	2,366,895	160,081
> 365 days	4,824,874	5,768,497
	<b>9,027,638</b>	<b>7,179,862</b>
<b>Housing rental</b>		
Current (0 -30 days)	3,295,076	(60,346)
31 - 60 days	559,065	559,848
61 - 90 days	530,830	438,937
91 - 120 days	608,450	427,454
121 - 365 days	5,302,617	368,497
> 365 days	18,757,560	24,341,186
	<b>29,053,598</b>	<b>26,075,576</b>
<b>Reconciliation of debt impairment provision</b>		
Balance at beginning of the year	(34,455,674)	(41,722,513)
Contributions to provision	2,348,399	7,266,839
Debt impairment written off against provision	11,316,077	12,520,166
Reversal of provision	(11,316,077)	(12,520,166)
	<b>(32,107,275)</b>	<b>(34,455,674)</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

### Figures in Rand

#### 3. Consumer debtors (continued)

Fair value of Consumer Debtors: Government Debt Rates	Electricit	Refuse Removal	Sewerage	Water	Sundries	Total
<b>Consumer debtors</b>						
State Properties	33,551	3,451	-	316	-	37,318
State Property Annual	382,106	931	3,728	1,055	4,158	395,069
State Property Monthly	1,247	176,503	6,939	124,871	597,161	924,271
Property State Tenant	1,345	29,945	11,674	537,274	5,382	597,695
Schools	80,130	36,166	6,165	20,108	4,317	163,526
Educational Facilities	-	-	8,743	52,768	-	83,805

Consumer Debtors are billed monthly, latest end of month. No interest is charged on trade receivables until the 7th of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. The municipality strictly enforces its approved Credit Control and Debt Collection Policy to ensure the recovery of Consumer Debtors.

Deposits are required to be paid for all services accounts opened. There are no consumers who represent more than 5% of the total balance of Consumer Debtors.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximate their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratio's of the municipality's Consumer Debtors.

In determining the recoverability of debtors, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Consumer Debtors has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>3. Consumer debtors (continued)</b>		
The Comparative figures were restated, Refer to the Prior Period Error note 50		
<b>4. Inventories</b>		
Consumable stores	5,067,135	3,088,583
Water	86,014	86,668
	<b>5,153,149</b>	<b>3,175,251</b>

The Statement of Financial Performance include R121 481 (2010: R19 701) in respect of write-downs of inventory to net realisable value.

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost or net realisable value. The total carrying amount relating to inventories amount to R5 153 149.

The amount of the inventory written down is R121 481 and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of fuel shortages, damaged stock and shortages on general stock items as reported and approved accordingly. No inventories were pledged as security for liabilities.

## 5. Trade and other receivables from exchange transactions

Insurance debtor	335,120	98,554
Capital debtors	24,457,528	4,184,781
Other	18,690,264	11,364,685
Sundry	622,931	413,106
	<b>44,105,843</b>	<b>16,061,126</b>

Capital debtors represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

The average credit period for Other Debtors is 30 days. The municipality strictly enforces its approved credit control policy to ensure the recovery of Other Debtors.

No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one percent per annum on the outstanding balance.

The management of the municipality is of the opinion that the carrying value of Other Debtors approximate their fair values.

The Comparative figures were restated, Refer to the Prior Period Error note 50

## 6. VAT receivable

South African Revenue Services	4,918,530	6,334,122
--------------------------------	-----------	-----------

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 7. Biological assets

	2011			Restated 2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in a plantation forest	15,787,529	-	15,787,529	13,529,438	-	13,529,438

#### Reconciliation of biological assets - 2011

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	13,529,438	(1,823,483)	4,081,574	15,787,529

#### Reconciliation of biological assets - 2010

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Other changes, movements	Total
Trees in a plantation forest	18,345,630	(2,171,916)	(2,744,151)	99,875	13,529,438

#### Non - Financial information

Nature and Quantities of each biological asset	Opening Balance	Less: Decrease due to Harvest	Fair Value Decrease (-)/Increase for the year	Closing balance
Idasvalley Plantation	18,063	-	7,365	25,428
Botmanskop Plantation	3,859,625	-	672,427	4,532,052
Paradyskloof Plantation	6,355,450	-	4,196,518	10,551,968
Louwsbos Plantation	3,296,300	(1,823,483)	(794,737)	678,080
	<b>13,529,438</b>	<b>(1,823,483)</b>	<b>4,081,573</b>	<b>15,787,528</b>

#### The determination of fair value was as follow:

##### Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R652/m3 excluding 14% VAT. This value was given to all trees, irrespective of age as it is difficult to determine a value for different aged trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m3/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. For example, compartment G17 in Paradyskloof Plantation is envisaged to produce a lower yield than anticipated due to the above factors. Refer to the Forestry Handbook p204.



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 7. Biological assets (continued)

#### Description of the Biological Assets

- |  |  |
|--|--|
| 1. Idas Valley Plantation (Block A, B, C, D) | Some compartments remain which can be harvested at a later stage due to the age of the trees.        |
| 2. Botmanskop plantation (Block E)           | Some compartments remain which can be harvested at a later stage due to the age of the trees         |
| 3. Papegaaiberg (Block F)                    | Permanently excised. In process of applying for nature reserve status.                               |
| 4. Paradyskloof plantation (Block G)         | Decision to harvest subject to the outcome of a court case with Paradyskloof Gof Estate development. |
| 5. Louwsbos (Block H)                        | Some compartments remain which can be harvested.   |

#### Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

### 8. Investment property

	2011			Restated 2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	523,325,000	-	523,325,000	522,611,500	-	522,611,500

#### Reconciliation of investment property - 2011

	Opening balance	Fair Value Adjustments	Total
Investment property	522,611,500	713,500	523,325,000

#### Reconciliation of investment property - 2010

	Opening balance	Other changes, movements	Fair value adjustments	Total
Investment property	474,872,200	(15,102,000)	62,841,300	522,611,500

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 8. Investment property (continued)

#### Method of Asset Valuation 2011

1. The date of valuation was 30 June 2011

2. Method:

2.1 Each property has been identified and inspected and the revalued amount apportioned between land and buildings.

2.2 Each of the three main methods (investment approach, direct comparison and cost) of valuing property has been adopted depending on the specific property.

2.3 The following differing regions were identified, namely Franschhoek, Le Roux, Mooiwater, Pniel, Kylemore, Idasvalley, Stellenbosch town, Cloetesville, Kayamandi, Stellenbosch Farms and Paarl farms.

3. Significant assumptions made was that where a property was considered to have developmental potential that planning consent will be forthcoming for a change of use and that there is no particularly restrictive conditions in the title deeds which adversely affect the value.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Revaluation of all Investment Property was performed by an accredited registered valuator, David White.

### 9. Long term receivables

#### Loans and receivables

Land sales	42,275	131,133
Officials: Car loans	-	144
Officials: Erven loans	63,434	69,238
Farmers: Water scheme	351,415	361,430
Housing selling scheme loans	2,133,081	2,308,550
Impairment - Land sales	(26,633)	(150,776)
Impairment - Officials: Car loans	-	(20,197)
Impairment - Officials: Erven loans	(39,963)	(46,786)
Impairment - Farmers: Water scheme	(221,391)	(266,142)
Impairment - Housing selling scheme loans	(1,343,841)	(1,575,240)
Transfer to Current Portion	(153,400)	(306,779)

**804,977**

**504,575**

#### Non-current assets

Loans and receivables	804,977	504,575
-----------------------	---------	---------

#### Current assets

Loans and receivables	153,400	306,779
	<b>958,377</b>	<b>811,354</b>

#### Car Loans

Senior staff were entitled to car loans which attract interest at 8% per annum.

#### Sale of Erven

As from 01 January 2006 no loan agreements were entered into for the sale of erven. The outstanding loans will be recovered over the remaining period of the individual loan agreements entered into.

#### Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest at 7% per annum and are repayable over 10 years.

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

### Figures in Rand

#### 9. Long term receivables (continued)

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year. There were no gains or losses realised on the disposal of held to maturity financial assets in 2011 and 2010, as all the financial assets were disposed of at their redemption date. For debt securities classified as at fair value through surplus or deficit, the maximum exposure to credit risk at the reporting date is the carrying amount.

#### 10. Property, plant and equipment

	2011			Restated 2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	835,174,586	(11,309,749)	823,864,837	11,004,000	-	11,004,000
Buildings	-	(906,538)	(906,538)	799,457,075	(544,904)	798,912,171
Infrastructure	2,053,241,761	(399,944,093)	1,653,297,668	1,993,850,546	(325,602,217)	1,668,248,329
Community	78,389,801	(4,554,488)	73,835,313	67,336,598	(2,142,030)	65,194,568
Leased Assets	2,113,178	(2,020,261)	92,917	-	-	-
Heritage	143,945	-	143,945	143,945	-	143,945
Other property, plant and equipment	181,503,535	(82,296,720)	99,206,815	95,229,532	(33,812,586)	61,416,946
<b>Total</b>	<b>3,150,566,806</b>	<b>(501,031,849)</b>	<b>2,649,534,957</b>	<b>2,967,021,696</b>	<b>(362,101,737)</b>	<b>2,604,919,959</b>

#### Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Revaluations	Reversal against Revaluation	Depreciation	Total
Land and buildings	808,616,170	-	-	(223,500)	34,098,249	(11,309,749)	-	831,181,170
Infrastructure	1,668,232,040	60,432,711	-	(739,790)	-	-	(74,341,875)	1,653,583,086
Community	65,210,852	11,053,203	-	-	-	-	(2,412,458)	73,851,597
Heritage	143,945	-	-	-	-	-	-	143,945
Other property, plant and equipment	62,716,952	41,366,375	(7,045)	-	-	-	(13,849,123)	90,227,159
	<b>2,604,919,959</b>	<b>112,852,289</b>	<b>(7,045)</b>	<b>(963,290)</b>	<b>34,098,249</b>	<b>(11,309,749)</b>	<b>(90,603,456)</b>	<b>2,648,986,957</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

### Figures in Rand

#### 10. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2010 Restated

	Opening balance	Additions	Disposals	Transfers	Revaluations	Other changes, movements	Depreciation	Prior Period Error	Total
Land and buildings	668,951,947	-	-	13,802,000	124,579,200	-	(456,977)	1,740,000	808,616,170
Infrastructure	1,727,500,506	55,880,333	-	-	-	1,017,947	(116,166,746)	-	1,668,232,040
Community	4,075,231	61,510,659	-	-	-	16,284	(391,322)	-	65,210,852
Heritage	-	143,945	-	-	-	-	-	-	143,945
Other property, plant and equipment	33,081,034	31,005,287	(202,212)	-	-	1,300,000	(2,467,157)	-	62,716,952
	<b>2,433,608,718</b>	<b>148,540,224</b>	<b>(202,212)</b>	<b>13,802,000</b>	<b>124,579,200</b>	<b>2,334,231</b>	<b>(119,482,202)</b>	<b>1,740,000</b>	<b>2,604,919,959</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

##### Method of Asset Valuation 2011

1. The date of valuation was 30 June 2011

2. Method:

2.1 Each property has been identified and inspected and the revalued amount apportioned between land and buildings.

2.2 Each of the three main methods (investment approach, direct comparison and cost) of valuing property has been adopted depending on the specific property.

2.3 The following differing regions were identified, namely Franschhoek, Le Roux, Mooiwater, Pniel, Kylemore, Idasvalley, Stellenbosch town, Cloetesville, Kayamandi, Stellenbosch Farms and Paarl farms.

3. Significant assumptions made was that where a property was considered to have developmental potential that planning consent will be forthcoming for a change of use and that there is no particularly restrictive conditions in the title deeds which adversely affect the value.

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>11. Consumer deposits</b>		
Rates	2,938,460	2,643,236
Electricity	6,048,585	5,190,970
Housing rental	387,675	377,403
	<b>9,374,720</b>	<b>8,211,609</b>
<b>12. Employee benefit obligations</b>		
<b>Post-retirement health care benefits liability</b>		
<b>Non-current post-retirement health care benefits liability</b>		
Non-current post-retirement health care benefits liability	(131,602,659)	(105,861,695)
Current post-retirement health care benefits liability	(4,483,008)	(4,578,048)
<b>Net liability</b>	<b>(136,085,667)</b>	<b>(110,439,743)</b>
Non-current liabilities	(131,602,659)	(105,861,695)
Current liabilities	(4,483,008)	(4,578,048)
	<b>(136,085,667)</b>	<b>(110,439,743)</b>

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under IAS 19. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at June 30, 2011 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2007 in terms of IAS 19, Employee Benefits, paragraph 155(b).

The municipality has elected to recognise the transitional liability as an expense on a straightline basis over 5 years from the date of adoption of which the transitional liability period ended on 30 June 2011.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

### The members of the post-employment health care benefit plan are made up as follows:

In-service members (Employees)	533	537
Continuation members (Retirees, widow(ers) and orphans)	170	180
<b>Total members</b>	<b>703</b>	<b>717</b>
<b>The liability in respect of past service has been estimated as follows:</b>		
In-service Members	59,737,048	49,430,516
Continuation Members	67,563,862	68,926,989
Unrecognised Actuarial Gain	8,784,757	-
<b>Total liability</b>	<b>136,085,667</b>	<b>118,357,505</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>12. Employee benefit obligations (continued)</b>		
The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:		
- Bonitas		
- Hosmed		
- Keyhealth		
- LA Health		
- Prosano		
- Samwumed		
<b>The principal assumptions used for the purposes of the actuarial valuations were as follows:</b>		
<b>i) Rates of Interest</b>		
Discount Rate	8.64 %	9.22 %
Health Care Cost Inflation Rate	7.28 %	7.22 %
Net Effective Discount Rate	1.27 %	1.87 %
<b>ii) Normal retirement age</b>		
Expected Retirement Age - Females	60	60
Expected Retirement Age - Males	65	65
The PA 90-2 ultimate mortality table was used by the actuaries		
Pre-retirement: The SA85-90 ultimate table, adjusted for female lives, was used.	-	-
<b>Movements in the present value of the Defined Benefit Obligation were as follows:</b>		
Balance at the beginning of the year	(118,357,505)	(102,938,843)
Current service costs	(5,220,979)	(3,956,296)
Interest cost	(10,702,833)	(9,303,427)
Expected employer Benefits payments	4,578,048	4,118,820
Actuarial (losses) / gains unrecognised	2,402,359	(6,277,759)
<b>Present Value of Fund Obligation at the end of the Year</b>	<b>(127,300,910)</b>	<b>(118,357,505)</b>
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	(127,300,910)	(118,357,505)
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Unrecognised transitional liability	14,300,160	14,300,160
Unrecognised Actuarial Gains/ Losses	(8,784,757)	(6,382,398)
<b>Total Benefit Liability</b>	<b>(136,085,667)</b>	<b>(110,439,743)</b>
<b>The amounts recognised in the Statement of Financial Performance are as follows:</b>		
Current service cost	(5,220,979)	(3,956,296)
Interest cost	(10,702,833)	(9,303,427)
Transitional Liability recognised	(14,300,160)	(14,300,160)
Contribution for the year	8,784,757	-
<b>Total Post-retirement Benefit included in Employee Related Costs</b>	<b>(21,439,215)</b>	<b>(27,559,883)</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 12. Employee benefit obligations (continued)

The history of experienced adjustments is as follows:

#### Fair Value of Plan Assets

2011	(136,085,667)	-
2010	(118,358,505)	(118,358,505)
2009	(102,939,800)	(102,939,800)
2008	(104,075,000)	(104,075,000)
2007	(96,326,000)	(96,326,000)
<b>Deficit</b>	<b>(557,784,972)</b>	<b>(421,699,305)</b>

#### Mortality Rates

Post retirement: PA 90-2 ultimate Mortality table was used.

Post retirement: The SA85-90 ultimate table adjusted for female lives, was used.

#### Continuation of Membership

Its assumed that 40% of current eligible in-service non-members will be on medical aid scheme at retirement (should they not exit employment)

Information for the three annual periods prior to the comparative year regarding the history of experienced adjustments was not available from the actuarial report obtained.

The effect of a 1% movement in the assumed rate of health care cost inflation is as follows:

#### Increase:

Effect on the aggregate of the current service cost and the interest cost	3,380,000	2,752,500
Effect on the defined benefit obligation	139,465,667	121,111,005

#### Decrease:

Effect on the aggregate of the current service cost and the interest cost	(2,629,500)	(2,137,400)
Effect on the defined benefit obligation	133,456,167	116,221,105

The municipality expects to make a contribution of R4 483 008 (2010: R4 578 048) to the Defined Benefit Plans during the next financial year.

### 13. Operating lease

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	8,717	157,405
Operating lease expenses recorded	3,439,580	2,138,821
Operating lease payments effected	(3,302,648)	(2,130,104)
Prior Period Error	-	(157,405)
	<b>145,649</b>	<b>8,717</b>

#### Leasing Arrangements

##### The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

##### Amounts Payable under Operating Leases

At the Reporting Date the municipality had outstanding commitments under Operating Leases for Property, Plant and Equipment, which fall due as follows:

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 13. Operating lease (continued)

<b>Buildings:</b>		
Up to 1 year	3,325,400	319,047
2 to 5 years	372,136	716,707
	<b>3,697,536</b>	<b>1,035,754</b>

<b>Vehicles and Other Equipment</b>		
Up to 1 year	446,273	-
2 to 5 years	455,005	-
	<b>901,278</b>	<b>-</b>

The following payments have been recognised as an expense in the Statement of Financial Performance:

<b>Total Operating Lease Expenses</b>		
Minimum lease payments	3,302,649	2,130,104

The municipality has operating lease agreements for the following classes of assets:

Buildings	3,697,537	1,035,754
Vehicles and other Equipment	901,277	-
	<b>4,598,814</b>	<b>1,035,754</b>

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

The Comparative figures were restated, Refer to the Prior Period Error note 50

### 14. Other financial liabilities

<b>At fair value</b>		
Annuity Loans	61,814,656	39,800,799

Annuity Loans are repaid over periods varying from 2 to 15 (2010: 2 to 15) years and at interest rates varying from 9.25 % to 11.55 % (2010: 9.25 % to 11.55%) per annum.

Refer to Appendix "A" for more detail on Long-term Liabilities.

The Comparative figures were restated, Refer to the Prior Period Error note 50

<b>Non-current liabilities</b>		
Fair value	58,031,661	35,199,023
<b>Current liabilities</b>		
Fair value	3,782,995	4,601,776
	<b>61,814,656</b>	<b>39,800,799</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 15. Provisions

#### Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised during the year	Transfer to Current Liabilities	Total
Rehabilitation of Land - fill Sites	31,915,832	1,595,791	-	-	33,511,623
Long Service Awards	14,802,253	4,637,742	(1,971,551)	(1,049,390)	17,468,444
Constructive obligations	269,701	264,685	(269,701)	-	264,685
Clearing of Alien Vegetation	769,769	567,750	(770,930)	(566,689)	566,689
	<b>47,757,555</b>	<b>7,065,968</b>	<b>(3,012,182)</b>	<b>(1,616,079)</b>	<b>51,811,441</b>
Non-current liabilities				50,195,362	45,437,461
Current liabilities				1,616,079	2,320,094
				<b>51,811,441</b>	<b>47,757,555</b>

#### Clearing of Alien Vegetation

The provision for Clearing of Alien Vegetation relates to the estimated cost for the clearing of alien vegetation from the areas under the jurisdiction of the municipality.

#### Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R33,511,623 (2010: R31,915,832) to restore the site at the end of its useful life, estimated to be in 2012. Provision has been made for the net present value of this cost, using the the average cost of borrowing interest rate.

A non-current asset namely "Reimbursed asset" amounting to R 19 342 105 was recognised for the reimbursement by National Treasury, as part of the Municipal Infrastructure Grant (MIG) Allocation, secured for the funding of the Rehabilitation of the landfill site.

#### Constructive obligations

Constructive obligations related to Grants in Aid: Rental exist due to expectations created on the part of other parties that the municipality will discharge certain responsibilities.

#### Long Service Awards

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Furthermore a Retirement Gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations was carried out at 30 June 2011 by Mr C. Weiss, Fellow of the Actuarial Society of South Africa. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The Comparative figures were restated, Refer to the Prior Period Error note 50

#### The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount Rate	7.97 %	9.11 %
Cost Inflation Rate	6.31 %	6.44 %
Net Effective Discount Rate	1.56 %	2.51 %

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>15. Provisions (continued)</b>		
<b>Movements in the present value of the provision for Long Service Awards were as follows:</b>		
Balance at the beginning of the year	14,802,253	12,746,956
Current service costs	1,761,588	1,612,342
Interest cost	1,314,073	1,141,288
Benefits paid	(780,892)	(731,489)
Actuarial loss/(gain)	371,422	33,156
<b>Present value of fund obligation at the end of the year and total recognised benefit liability</b>	<b>17,468,444</b>	<b>14,802,253</b>
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	17,468,444	14,802,253
<b>The amounts recognised in the Statement of Financial Performance are as follows:</b>		
Current service costs	1,761,588	1,612,342
Interest cost	1,314,073	1,141,288
Benefits paid	(780,892)	(731,489)
Actuarial loss/(gain)	371,422	33,156
<b>Total expense included in Employee Related Costs</b>	<b>2,666,191</b>	<b>2,055,297</b>
The effect of a 1% movement in the assumed general salary rate is as follows:		
<b>16. Trade and other payables from exchange transactions</b>		
Trade payables	4,342,879	1,112,395
Payments received in advance	9,371,589	7,923,270
Retention	9,565,995	4,181,284
Salary Control	4,587,315	7,157,509
Leave Gratuity	12,376,349	10,954,699
Other Creditors	4,233,931	11,449,778
Sundry Deposits	632,394	499,544
Impounded Vehicles	-	61,725
Accruals at Year End	27,308,319	27,434,935
	<b>72,418,771</b>	<b>70,775,139</b>

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>17. Unspent conditional grants and receipts</b>		
<b>Unspent conditional grants and receipts comprises of:</b>		
<b>Unspent conditional grants and receipts</b>		
National Government Grants	8,377,450	16,816,416
Provincial Government Grants	22,145,168	13,993,150
Other Sources	2,523,378	5,335,876
Developers Contribution - Sewerage	3,217,929	3,478,398
Developers Contribution - Roads	3,756,938	4,202,316
Developers Contribution - Electricity	7,938,488	3,716,562
Developers Contribution - Water	4,704,492	3,341,122
Developers Contribution - Open Areas	170,232	170,232
Developers Contribution - Parking	1,485,310	1,485,310
Developers Contribution - General	117,753	117,753
Developers Contribution - La Clemence	2,351,742	2,135,996
Fransdevco: Development Rights	3,347,553	3,347,553
Franschhoek: Low Cost Housing (Phase 2)	301,300	301,300
LGWSETA Training	1,220,427	885,403
Financial Management Grant	37,285	50,588
Cemetery Donation	2,200	2,200
Marais Park Bequest	20,000	20,000
Don & Pat Bilton Clinic	231,084	211,441
Franschhoek Belgium Development	7,100	7,100
Dilbeek	55,925	141,251
Growth Management Strategy	-	41,749
Western Cape Water Quality	304,517	304,517
Leuven Study Grant	13,256	13,256
Library Services Support Grant	174,590	157,489
Housing Consumer Education	68,010	85,161
CDW Support Grant	47,241	114,145
Municipal Systems Improvement Grant	26,352	31,008
Equitable share	-	2,512,006
ID Campaign	-	140,005
Festival of Light	5,831	4,200
Cleanest Town	40,000	-
Top Structure	127,113	-
	<b>62,818,664</b>	<b>63,163,503</b>

### Movement of Capital Grants during the year

Balance at the beginning of the year	58,441,983	70,241,798
Income	38,766,495	39,404,730
Capital Expenditure	(36,770,746)	(51,204,545)
	<b>60,437,732</b>	<b>58,441,983</b>

The receipt and spending of Government Grants are monitored by National and Provincial Government and reports in this regard are submitted quarterly. See also Note 22 for Grants received from National/Provincial Government. These amounts are invested in a ring-fenced investment until utilized.

Refer to Appendix "F" for more detail on Conditional Grants.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

### Figures in Rand

#### 18. Accumulated surplus

##### Ring-fenced internal funds and reserves within accumulated surplus - 2011

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	112,471,747	475,252,370	103,678,687	80,253,616	8,822,012	780,478,432
Offsetting of depreciation	-	(4,292,752)	(4,064,357)	(4,310,959)	-	(12,668,068)
Transfer to capital replacement reserve	51,864,304	-	-	-	-	51,864,304
Property, plant and equipment purchases	(51,205,369)	-	28,634,718	8,006,105	-	(14,564,546)
Contribution to insurance reserve	-	-	-	-	1,063,480	1,063,480
Asset disposal	-	7,045	-	-	-	7,045
Impairment of assets	-	(8,541,794)	-	-	-	(8,541,794)
	<b>113,130,682</b>	<b>462,424,869</b>	<b>128,249,048</b>	<b>83,948,762</b>	<b>9,885,492</b>	<b>797,638,853</b>

##### Ring-fenced internal funds and reserves within accumulated surplus - 2010 Restated

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	129,238,804	479,379,366	66,244,171	72,210,750	7,727,742	754,800,833
Offsetting of depreciation	-	(4,386,821)	(1,934,753)	(2,924,892)	-	(9,246,466)
Transfer to capital replacement reserve	67,657,900	-	-	-	-	67,657,900
Property, plant and equipment purchases	(86,068,157)	-	40,181,023	11,167,467	-	(34,719,667)
Contribution to insurance reserve	-	-	-	-	1,094,270	1,094,270
Prior period error	-	9,704,000	-	-	-	9,704,000
Residual values	-	57,707	-	25,919	-	83,626
Income earned	1,643,200	-	-	-	-	1,643,200
Revaluation Reversal	-	(9,501,882)	(811,754)	(225,628)	-	(10,539,264)
	<b>112,471,747</b>	<b>475,252,370</b>	<b>103,678,687</b>	<b>80,253,616</b>	<b>8,822,012</b>	<b>780,478,432</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

### Figures in Rand

#### 18. Accumulated surplus (continued) Total Accumulated Surplus

Accumulated Surplus has been restated due to changes in accounting policy and prior period errors. Refer to Note 50.

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

The Comparative figures were restated, Refer to the Prior Period Error note 50

#### 19. Housing development fund

Opening Balance	8,673,735	6,898,299
Transfer to/from Housing Development Fund	2,655,523	1,775,436
	<b>11,329,258</b>	<b>8,673,735</b>

The Housing Development Fund is represented by the following

##### Assets and Liabilities:

Instalment Sales Debtors	2,133,081	2,308,550
Consumer Debtors	19,041,119	13,023,401
Provision for Bad Debts	(7,364,443)	(7,883,318)
Cash and Cash Equivalents	(2,480,499)	1,225,102
<b>Total Housing Development Fund Assets and Liabilities</b>	<b>11,329,258</b>	<b>8,673,735</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>20. Revaluation reserve</b>		
Opening balance	872,522,911	674,721,222
Change during the year	(60,910,751)	10,355,189
Increase in Revaluation of Land and Buildings	92,782,000	187,446,500
	<b>904,394,160</b>	<b>872,522,911</b>
<b>Revaluation surplus relating to property, plant and equipment</b>		
Revaluation surplus beginning of period	872,522,911	674,721,222
Movements in the reserve for the year	31,871,249	197,801,689
	<b>904,394,160</b>	<b>872,522,911</b>

The Revaluation Reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Revaluation Reserve that relates to that asset, and is effectively realised, is transferred directly to the Accumulated Surplus.

Distributions from the Revaluation Reserve can be made where they are in accordance with the requirements of the Municipality's Accounting Policy and relevant case law. The payment of cash distributions out of the reserve is restricted by the terms of the Municipality's Accounting Policy. These restrictions do not apply to any amounts transferred to Accumulated Surplus. The Council does not currently intend to make any distribution from the Revaluation Reserve.

## 21. Property rates

### Rates received

Residential	106,424,906	102,785,692
Commercial	88,170,156	85,203,927
Small holdings and farms	10,473,230	11,956,555
Less: Income forgone	(21,776,879)	(20,752,517)
	183,291,413	179,193,657
Property rates - penalties imposed and collection charges	2,372,716	2,132,469
	<b>185,664,129</b>	<b>181,326,126</b>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The last valuation came into effect on 1 July 2009. Three interim valuations were performed during the financial year and implemented accordingly.

An average general rate for 2011 is R 0.009541 (2010: R 0.009541) is applied to property valuations to determine assessment rates.

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 30 September. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>22. Government grants and subsidies</b>		
CDW Support	191,904	116,136
Equitable share	36,783,660	25,255,167
Financial Management Grant	1,013,303	918,710
Donated Assets	157,238	-
Grants - Capital Projects	36,483,584	51,204,545
Growth Management Strategy	41,749	374,860
Housing Consumers Education	-	5,700
LGWSETA Training	258,166	761,453
Library Services Support	953,899	692,370
Magazine Subsidy	1,906	2,135
Municipal Systems Improvement Grant	679,656	425,704
Other Grants & Subsidies Operating	278,181	1,611,739
Provincial Government PHP Top Structures	19,944,931	13,553,790
	<b>96,788,177</b>	<b>94,922,309</b>

### Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents received a monthly subsidy of R182.81, which was funded from this grant. Bulk services are also provided free of charge to informal settlements.

### Financial Management Grant

The Municipality received Financial Management Grants for the implementation of National Treasury's Local Government Financial Reform Project. The largest portion of these funds is used for the implementation of GAMAP/GRAP.

### LGWSETA Training

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

### National and Provincial Government - Capital Projects

Both National and Provincial Government fund a large portion of the Municipality's annual capital expenditure. The funds received for these purposes are from the National Housing Board, Municipal Infrastructure Grant, Department of Mineral and Energy and Department of Transport.

See Appendix F for a reconciliation of grants received and expensed.

## 23. Investment revenue

### Interest revenue

Bank	19,756,636	19,752,254
Interest Earned - Outstanding Debtors	4,071,819	4,225,531
	<b>23,828,455</b>	<b>23,977,785</b>

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>24. Other income</b>		
Wood Sales	2,089,101	1,938,595
Building Plan Fees	3,477,041	2,405,435
Contributions from Reserves and Operational Grants	845,530	793,531
Sundry	10,891,014	8,395,028
	<b>17,302,686</b>	<b>13,532,589</b>

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 25 to 26, rendered which are billed to or paid for by the users as the services are required according to approved tariffs or offers received in terms of supply chain procedures, i.e. wood sales. Inter-departmental recoveries are received from other trading and economic services.

The Comparative figures were restated, Refer to the Prior Period Error note 50

## 25. Rental of facilities and equipment

<b>Premises</b>		
Rental Revenue from other facilities	8,782,861	8,177,487
Rental Revenue from Building	17,363	15,576
	<b>8,800,224</b>	<b>8,193,063</b>
<b>Facilities and equipment</b>		
Rental Revenue from Land	2,396,755	1,787,409
Rental of equipment	398,047	-
	<b>2,794,802</b>	<b>1,787,409</b>
	<b>11,595,026</b>	<b>9,980,472</b>

The Comparative figures were restated, Refer to the Prior Period Error note 50

## 26. Service charges

Sale of electricity	302,889,831	237,390,554
Sale of water	82,233,026	70,172,044
Sewerage and sanitation charges	42,709,377	42,223,447
Refuse removal	26,949,127	25,240,304
Other service charges	79,512	43,962
	<b>454,860,873</b>	<b>375,070,311</b>

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

## 27. Bulk purchases

Electricity	161,022,630	126,685,074
Water	12,648,355	11,187,882
	<b>173,670,985</b>	<b>137,872,956</b>

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Escom whilst water is purchased from City of Cape Town and Department of Water and Forestry.

## 28. Depreciation and amortisation

Property, plant and equipment	90,603,459	119,482,204
-------------------------------	------------	-------------



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>29. Debt impairment</b>		
Capital Debtors	-	180,765
Electricity	299,343	990,491
Refuse	866,460	1,418,453
Sewerage	734,396	1,186,326
Water	3,546,496	3,201,134
Rates	813,257	1,264,364
Housing Rental	5,007,617	3,219,785
Sundries	48,508	1,239,611
	<b>11,316,077</b>	<b>12,700,929</b>
<b>30. Employee related costs</b>		
Basic	136,587,723	130,118,590
Pension Fund Contribution	24,868,713	21,142,997
Bonus	10,455,212	9,618,515
Medical aid - company contributions	10,134,808	9,168,554
Cashiers Allowances	7,477	2,285
Sundry Allowances	1,403,205	1,232,545
Cellphone Allowances	519,680	478,877
Severance Packages	1,670,298	3,231,094
Overtime payments	8,367,097	6,723,977
Uniforms	396,983	370,208
Group Insurance	2,629,039	2,404,674
Car allowance	7,136,984	6,650,514
Housing benefits and allowances	1,355,813	1,967,328
Stanby Allowances	1,974,774	1,734,879
Night Shift Allowance	962,178	686,065
Less: Employee costs included in other expenses	(1,746,691)	(4,935,360)
Long-term benefits - incentive scheme	-	1,832,584
	<b>206,723,293</b>	<b>192,428,326</b>
<b>Remuneration of Municipal Manager</b>		
Annual Remuneration	1,096,786	426,470
Car Allowance	800	53,000
Contributions to UIF, Medical and Pension Funds	225,604	79,870
Housing Allowance	-	66,410
Leave	-	54,222
Severance Package	-	494,375
	<b>1,323,190</b>	<b>1,174,347</b>
Acting Allowance paid to Acting Municipal Manager	-	211,495
<b>Remuneration of Chief Finance Officer</b>		
Annual Remuneration	834,617	650,522
Car Allowance	90,000	90,000
Contributions to UIF, Medical and Pension Funds	172,977	125,088
Housing Allowance	18,000	72,000
Leave	-	68,208
Telephone Allowance	5,940	5,940
Other	-	415
	<b>1,121,534</b>	<b>1,012,173</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>30. Employee related costs (continued)</b>		
<b>Remuneration of Director Public Safety</b>		
Annual Remuneration	522,367	405,502
Car Allowance	56,112	68,419
Contributions to UIF, Medical and Pension Funds	113,536	108,583
Housing Allowance	-	83,253
Leave	-	63,573
Telephone Allowance	9,000	-
Other	-	11,200
	<b>701,015</b>	<b>740,530</b>
Acting Allowances paid to Acting Director Community Services	-	65,490
<b>Remuneration of the Director Community Services</b>		
Annual Remuneration	726,071	601,822
Car Allowance	54,851	54,000
Contributions to UIF, Medical and Pension Funds	178,329	143,945
	<b>959,251</b>	<b>799,767</b>
<b>Remuneration of the Director Strategic and Corporate Services</b>		
Annual Remuneration	481,099	250,417
Car Allowance	95,586	50,323
Contributions to UIF, Medical and Pension Funds	127,894	57,547
Housing Allowances	-	54,101
Leave	-	28,393
Telephone Allowances	7,025	-
	<b>711,604</b>	<b>440,781</b>
Acting Allowances paid to the Acting Director(s) Corporate Services	-	291,068
<b>Remuneration of the Director Engineering Services</b>		
Annual Remuneration	735,059	746,082
Car Allowance	48,000	44,141
Contributions to UIF, Medical and Pension Funds	151,379	16,588
Leave	-	53,792
Telephone Allowances	9,000	-
	<b>943,438</b>	<b>860,603</b>
Acting Allowances paid to Acting Director(s) Engineering Services	-	200,104

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>30. Employee related costs (continued)</b>		
<b>Remuneration of the Director Planning and Development Services</b>		
Annual Remuneration	930,754	524,712
Car Allowance	-	89,268
Contributions to UIF, Medical and Pension Funds	10,945	137,890
Leave	-	77,919
Telephone Allowances	9,000	-
	<b>950,699</b>	<b>829,789</b>
Acting Allowances paid to Acting Director(s) Planning and Development	-	90,966

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>31. General expenses</b>		
3 G Fixed cost	71,749	65,252
Accounting fees external	2,900,036	2,855,945
Advertising	760,305	867,853
Agency Services	11,913,800	11,138,255
Ammunition	17,502	18,705
Assessment rates & municipal charges	29,600	34,800
Bagaining council	57,360	54,649
Bank charges	3,004,887	2,640,848
Busaries	318,108	305,459
Cellphone Cost	453,325	536,088
Claims: Global	3,085,934	4,356,129
Corporate Expenses	321,708	487,413
Electricity consumption expenses	17,602,156	13,252,882
Entertainment	183,697	111,723
Commonage & Plantations	1,823,483	2,171,916
Free Basic services	9,993,737	10,908,432
Fuel and oil	6,972,812	6,461,399
Fumegating of Buildings	58,425	45,258
Hosting of Events	369,317	867,411
Insurance	2,722,919	2,523,010
Interest Allocated	29,110	236,263
Internal Audit Fees	1,650,631	1,614,692
Internal Investigations	194,338	-
Investment Administration	887,813	700,951
Legal cost	8,273,732	10,123,931
Licenses Fees	1,277,647	1,896,183
Actaurial loss	371,422	33,156
Magazines, books and periodicals	1,221,730	1,218,840
Office Refreshments	460,807	456,524
Other expenses	32,468,652	25,979,274
Outdated Stock	86,391	76,130
Pauper Burials	22,400	17,000
Postage and courier	1,118,082	844,338
Printing and stationery	2,296,208	2,324,330
Property only	1,393,948	4,263,824
Protective clothing	1,289,922	1,246,051
Radio Operational cost	638,422	1,009,110
Recoverable Cost	1,418,327	1,495,889
Recruting & Selecting	74,206	49,570
Registration fees	154,669	193,813
Security	2,876,446	2,001,612
Souvenirs	20,382	28,292
Staff wellness	1,139,820	1,192,890
Stores & Material	1,904,912	2,399,292
Sundry	59,118	15,351
Telephone Cost	3,815,345	5,085,309
Training	2,956,767	3,380,063
Transfer & Survey Cost	60,005	46,812
Travel - Claims	246,321	250,785
UIF	1,270,781	558,707
Ward Expenses	5,873,748	6,024,343
Workmans Compensation	1,441,027	1,483,977
Workshops, Functions & Capacity	336,569	514,763
General Expenses	139,990,558	150,703,708
Administration Costs	(1,186,186)	(1,123,841)
	<b>138,804,372</b>	<b>135,341,651</b>

The Comparative figures were restated, Refer to the Prior Period Error note 50

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>32. Remuneration of Councillors</b>		
Executive Mayor	544,067	593,375
Councillors	9,137,107	8,744,882
	<b>9,681,174</b>	<b>9,338,257</b>
<b>In-kind benefits</b>		
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
Executive Mayor	602,054	594,837
Deputy Mayor	47,998	448,424
Speaker	486,258	479,241
Mayoral Committee	3,227,894	2,736,767
Councillors	3,282,131	3,160,006
Medical Aid Contributions	90,758	67,319
Pension fund contributions	372,189	407,795
Travelling Allowances	1,258,876	1,152,137
Telephone Allowances	313,016	291,731
	<b>9,681,174</b>	<b>9,338,257</b>
<b>33. Cash generated from operations</b>		
Surplus	79,962,622	103,762,576
<b>Adjustments for:</b>		
Depreciation and amortisation	90,603,459	119,482,204
Gain on sale of assets and liabilities	3,317	93,614
Inventories: (Write-down) / reversal of write-down	121,481	19,701
Fair value adjustments	(4,795,074)	(60,197,024)
Impairment deficit	7,970,285	-
Debt impairment	11,316,077	12,700,929
Movements in operating lease assets and accruals	136,932	(138,946)
Movements in retirement benefit assets and liabilities	25,645,924	23,440,943
Movements in provisions	4,053,886	10,647,047
Proir year adjustments	(4,210,245)	(9,470,892)
Adjustments between revaluation and fair value adjustment	(3,644,749)	-
Adjustments on PPE	(1,453,290)	-
<b>Changes in working capital:</b>		
Inventories	(1,977,898)	1,465,204
Trade and other receivables from exchange transactions	(28,044,717)	(2,898,749)
Consumer debtors	(15,698,813)	(21,098,198)
Trade and other payables from exchange transactions	1,643,632	951,863
VAT	1,415,592	(833,570)
Unspent conditional grants and receipts	(344,839)	(14,447,898)
	<b>162,703,582</b>	<b>163,478,804</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 34. Financial assets by category

In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows:

#### 2011

	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Long-term Receivables	-	-	-	-
Sale of Erven	12,682	-	-	12,682
Officials: Erven loans	57,281	-	-	57,281
Farmers: Water scheme	340,398	-	-	340,398
Housing Selling Scheme Loans	2,026,443	-	-	2,026,443
Consumer Debtors	86,325,448	-	-	86,325,448
Assessment Rates	23,825,439	-	-	23,825,439
Electricity	11,206,115	-	-	11,206,115
Water	17,611,758	-	-	17,611,758
Sewerage	5,557,980	-	-	5,557,980
Refuse	5,997,270	-	-	5,997,270
Housing rental	22,126,886	-	-	22,126,886
Other Debtors	-	-	-	-
Sundry	369,322	-	-	369,322
Closing of financial year	18,180,282	-	-	18,180,282
Other Debtors	874,502	-	-	874,502
Capital Debtors	24,457,528	-	-	24,457,528
VAT Control Accounts	4,918,530	-	-	4,918,530
Bank, Cash and Cash Equivalents	-	-	-	-
Call Deposits	-	301,226,693	-	301,226,693
Bank balances and cash	-	-	14,743,358	14,743,358
Current Portion of Long-term Receivables	-	-	-	-
Sale of Erven	29,592	-	-	29,592
Officials: Erven loans	6,153	-	-	6,153
Farmers: Water Scheme	11,017	-	-	11,017
Housing Selling Scheme	106,638	-	-	106,638
	<b>224,041,264</b>	<b>301,226,693</b>	<b>14,743,358</b>	<b>540,011,315</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010		
34. Financial assets by category (continued)				
2010				
	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Loan-term Receivables	-	-	-	-
Sale of Erven	20,911	-	-	20,911
Farmers: Water Scheme	361,430	-	-	361,430
Officials: Erven Loans	63,439	-	-	63,439
Housing Selling Scheme Loans	2,120,328	-	-	2,120,328
Consumer Debtors	-	-	-	-
Assessment Rates	29,645,692	-	-	29,645,692
Electricity	9,982,905	-	-	9,982,905
Refuse	4,335,283	-	-	4,335,283
Sewerage	4,008,368	-	-	4,008,368
Water	11,224,814	-	-	11,224,814
Housing	11,429,573	-	-	11,429,573
Other Debtors	-	-	-	-
Sundry	413,106	-	-	413,106
Closing of financial year	11,389,889	-	-	11,389,889
Other Debtors	98,554	-	-	98,554
Capital Debtors	4,184,781	-	-	4,184,781
VAT Receivable	6,334,122	-	-	6,334,122
Bank, Cash and Cash Equivalents	-	-	-	-
Call Deposits	-	224,972,595	-	224,972,595
Bank balances and cash	-	-	15,306,694	15,306,694
Current Portion of Long-term Receivables	-	-	-	-
Official Car Loans	2,536	-	-	2,536
Sale of Erven	110,222	-	-	110,222
Officials: Erven Loans	5,799	-	-	5,799
Housing Selling Scheme Loans	188,222	-	-	188,222
	95,919,974	224,972,595	15,306,694	336,199,263

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 35. Financial liabilities by category

In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows:

#### 2011

	Financial liabilities at amortised cost	Total
<b>Long-term Liabilities</b>		
Annuity Loans	58,031,661	58,031,661
Consumer Deposits                      Electricity and Water	9,374,720	9,374,720
<b>Creditors</b>		
Trade Creditors	1,152,441	1,152,441
Payments received in advance	12,562,038	12,562,038
Sundry Deposits	632,394	632,394
Other Creditors	3,386,610	3,386,610
Leave Gratuity	11,642,850	11,642,850
Retentions	9,565,995	9,565,995
Salary Control	4,802,913	4,802,913
<b>Unspent Conditional Grants and Receipts</b>		
National Government Grants	8,377,450	8,377,450
Provincial Government Grants	22,145,168	22,145,168
Other Sources	2,523,378	2,523,378
Developers Contributions	27,391,737	27,391,737
<b>Operating Lease Liabilities</b>		
Operating Lease Liabilities/ Payable	145,649	145,649
<b>Current Portion of Long-term Liabilities</b>		
Annuity Loans	3,782,995	3,782,995
	<b>175,517,999</b>	<b>175,517,999</b>



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>35. Financial liabilities by category (continued)</b>		
<b>2010 - Restated</b>		
	<b>Financial liabilities at amortised cost</b>	<b>Total</b>
<b>Long-term Liabilities</b>		
Annuity Loans	35,199,023	35,199,023
Consumer Deposits                      Electricity and Water	8,211,609	8,211,609
Housing	377,403	377,403
<b>Creditors</b>		
Trade Creditors	1,112,395	1,112,395
Payments received in advance	7,923,270	7,923,270
Sundry Deposits	499,544	499,544
Other Creditors	11,373,750	11,373,750
Leave Gratuity	10,954,699	10,954,699
Retentions	4,181,284	4,181,284
Salary Control	7,157,509	7,157,509
<b>Unspent Conditional Grants and Receipts</b>		
National Government Grants	16,816,416	16,816,416
Provincial Government Grants	13,993,150	13,993,150
Other Sources	5,335,876	5,335,876
Developers Contributions	22,512,288	22,512,288
Operating Lease Liabilities / Payable	8,717	8,717
<b>Current Portion of Long-term Liabilities</b>		
Annuity Loans	4,601,776	4,601,776
	<b>150,258,709</b>	<b>150,258,709</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 36. Risk management

#### Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 14, Bank, Cash and Cash Equivalents and Equity in Note 2, comprising Funds, Reserves and Accumulated Surplus as disclosed in the Statement of Changes in Net Assets.

#### Financial risk management objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 36. Risk management (continued)

#### Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

#### Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 36. Risk management (continued)

#### Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy. Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for Sasol who has large investments in the municipal area and does not pose any risk. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

#### The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Consumer Debtors	87,957,276	70,626,635
Other Debtors	43,852,234	16,061,126
Bank, Cash and Cash Equivalents	313,423,120	240,380,916
	<b>445,232,630</b>	<b>327,068,677</b>

#### Foreign currency risk management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

The municipality reviews its foreign currency exposure, including commitments on an ongoing basis. The municipality expects its foreign exchange contracts to hedge foreign exchange exposure.

#### Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>37. Public contributions and donations</b>		
Developers Contribution - Sewerage	3,217,929	3,478,398
Developers Contribution - Roads	3,756,938	4,202,316
Developers Contribution - Electricity	7,938,488	3,716,562
Developers Contribution - Water	4,704,492	3,341,122
Developers Contribution - Open Areas	170,232	170,232
Developers Contribution - Parking	1,485,310	1,485,310
Developers Contribution - General	117,753	117,753
Developers Contribution - La Clemence	2,351,742	2,135,996
Franschhoek: Low Cost Housing	301,300	301,300
Frantevco Development	3,347,553	3,347,553
	<b>27,391,737</b>	<b>22,296,542</b>
<b>Reconciliation of conditional public contributions and donations</b>		
Balance unspent at beginning of year	22,296,543	19,071,502
Current year receipts	9,518,724	13,542,652
Conditions met - transferred to revenue: Capital Expenses	(4,136,368)	(10,317,611)
Other transfers	(287,162)	-
<b>Conditions still to be met - transferred to Liabilities</b>	<b>27,391,737</b>	<b>22,296,543</b>
<b>38. Contribution to/from provision</b>		
Contribution to/from provisions	38,661,161	18,106,382
The Comparative figures were restated, Refer to the Prior Period Error note 50		
<b>39. Fair value adjustments</b>		
Biological assets & Investment Property - (Fair value model)	4,795,074	60,197,024
<b>40. Contracted services</b>		
Operating Leases: Buildings and Equipment	8,148,412	6,542,598
The Comparative figures were restated, Refer to the Prior Period Error note 50		
<b>41. Grants and subsidies paid</b>		
<b>Other subsidies</b>		
Marketing	184,685	849,947
Festivals	379,148	14,409
	<b>563,833</b>	<b>864,356</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>42. Commitments</b>		
<b>Authorised capital expenditure</b>		
<b>Approved and Contracted for:</b>		
• Infrastructure	19,649,585	17,894,501
• Other financial assets	-	2,312,296
	<b>19,649,585</b>	<b>20,206,797</b>
<b>Approved but Not Yet Contracted for:</b>		
• Infrastructure	122,252,588	141,406,499
• Community	39,551,067	42,534,000
• Other	17,612,800	11,416,704
•	179,416,455	195,357,203
	<b>199,066,040</b>	<b>215,564,000</b>
<b>This expenditure will be financed from:</b>		
External Loans	47,047,780	94,700,000
Capital Replacement Reserve	94,470,400	54,841,000
Government Grants	49,955,167	59,105,000
Public Contributions	7,592,693	6,918,000
	<b>199,066,040</b>	<b>215,564,000</b>

Finance Lease Liabilities and Non-cancellable Operating Lease Commitments are disclosed above.

### Other Commitments

The municipality has entered into a co-sourcing agreement with PricewaterhouseCoopers Inc. for the provision of internal audit services for 3 years, which gives rise to an annual charge of approximately R 2 700 378.28

### 43. Contingencies

The previous mayor, Mr Patrick Swartz obtained legal opinion/s from Herold Gie Attorneys and Nongogo Nuku Incorporated without following the prescribed supply chain management procedures. An amount of R100 000 represents legal costs and disbursements.

Mr Abdullhi's stall at the Stellmark centre was raided on or about 13 May 2011 by the South African Police Services during which goods were confiscated from him. This is an application for interdictory relief against the Municipality and reviewing the decision of the Municipality not to grant him a trading permit.

An amount of R80 000 represents legal costs and disbursements

SALA Pension Fund is taking all local authorities, who are not paying the increased contribution as claimed by them to court. Municipalities to pay the difference between current contribution rate and increased contribution rate. The estimation amounts to R516 720.27 plus interest and cost. An additional cost of R150 000 represents legal costs and disbursements.

An application from Cinmark (Pty) Ltd was served on the Municipality on or about 31 May 2010 in terms of which the Registrar of Deeds, Cape Town is ordered to remove the caveat on Erf 15730 Stellenbosch. Transactions concerning the property are in contravention with the title deed conditions. A cost of R650 000 represents legal costs and disbursements.

Blue Stars Netbalkklub made an application to the High Court for a declaratory order; that the Special Meeting of the Klapmuts Sport Forum held on 27 May 2009 at Lanner's Lading, Klapmuts was properly held and that the new management of the Klapmuts Sport Forum was properly elected. A cost of R350 000 represents legal costs and disbursements.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 43. Contingencies (continued)

Shelfline 104 Pty (Ltd) submitted an application against the municipality disputing the tariff applicable on developers liable for payment of bulk infrastructure contribution levies. This matter has now been concluded and an appeal was lodged. This cost of R500 000 represents legal costs and disbursements.

This matter involves a counter application on behalf of the municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. This matter does not involve any amounts claimed

This is an application for an interdictory and declaratory relief against the Municipality and the Cape Winelands District Municipality for alleged non-compliance with statutory and constitutional obligations in respect of its duty to progressively realise the rights of access to adequate housing in particular to persons that are evicted and left without any alternative accommodation. A cost of R250 000 represents legal costs and disbursements.

Cape Nature is taking the municipality to court for a fire in the District Municipal Area. Although the fire started within the municipal area, the necessary safety precautions were in place and the District Municipality was the responsible legal authority to extinguish the fire. An amount of R800 000 represents legal costs with a possible claim of R10,706,557.

This matter involves a review by ATC (Pty) Ltd against the Municipality and Consolidated Power Projects (Pty) Ltd for the review and setting aside of a decision by the Municipality to award a tender to Consolidated Power Projects (Pty) Ltd. A cost of R300 000 represents legal costs and disbursements.

This is a claim for the reviewing and setting aside of a decision of the Municipality to approve the building plans of Oldenburg Vineyards (Pty) Ltd. The parties are attempting to settle the matter. A cost of R250 000 represents legal costs and disbursements.

This is an application by the Municipality for the rectification of errors that occurred in the registration of various erven in Kayamandi. These errors were inter alia due to the amendments of the general plans of Kayamandi not being taken into account in respect of subsequent transfers resulting in incorrect property descriptions and extents, the municipality holding title of certain properties together with third parties as well as incorrect properties being transferred to third parties. A cost of R200 000 represents legal costs and disbursements.

This matter involves a claim by Cape Joint Pension Fund against the municipality for a pro rata contribution for a shortfall between actual earnings and investment return based on Rule 17(5) of the Rules of the Fund. The possible liability as per the letter received from Cape Joint Pension Fund is R 4 587 998. A cost of R400 000 represents legal costs and disbursements.

A neighbouring farm alleged pollution and other forms of degradation as a result of activities at the squatter camp. They requested the court to issue an order directing the municipality to clean up and add additional facilities like toilets. This matter was settled and it was agreed that the municipality would pay 50% of costs incurred. A cost of R200 000 represents legal costs and disbursements.

Mrs Baadjies obtained an Ex Parte Court Order ordering the Municipality to immediately re-erect her wendy house at the graveyard, Jamestown. The Municipality is in the process of obtaining an eviction order against Mrs Baadjies and the other illegal occupiers. A cost of R58 284.19 represents legal costs and disbursements.

Mr Mfeketo referred a dispute to the SALGBC and Fairbridges was appointed to assist the Municipal Manager in this regard. A cost of R45 266.28 represents legal costs and disbursements.

Members of the public are occupying staff quarters and public rental units illegally and refuse to vacate same notwithstanding notices to that effect. In light of the aforesaid the Municipality is not generating any rental income from the units and is not in a position to provide staff accommodation to current and new staff of the Municipality. The Municipality cannot tolerate the current position and instituted eviction proceedings against the illegal occupiers. A cost of R50 000 represents legal costs and disbursements.

Three former contract employees of the municipality instituted legal proceedings of unfair termination.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 43. Contingencies (continued)

The municipality is currently performing a detailed review of its vat compliance for the last five years. The municipality can however not calculate the amount of the obligation with sufficient reliability at this stage. The primary purpose of the vat review is to apply for relief under the Voluntary Disclosure Programme as introduced by the South African Revenue Services.

### 44. Related parties

#### Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in a note to the Annual Financial Statements.

#### Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 30 and 32 respectively, to the Annual Financial Statements.

#### Awards to close family members of persons in the service of the state:

##### Vela VKE Consulting Engineers

The appointment of consulting engineers for professional services for various projects, to the value of R4,112,941.39

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms Pinky Phosa	MEC for Finance: Mpumalanga

##### Aurecon South Africa (Pty) Ltd

The Appointment of Consulting Engineers For Professional Civil Engineering Services For Various Projects , to the value of R4,116,886.09

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms Theron	PG Gauteng: Department of Education; Educator
K Nadasen	National Department of Public Works: Key Account Manager
AF Keyser	Hessequa Local Municipality: Caravan Park Manager
T Keyser	Hessequa Local Municipality: Secretary
MJ Fullard	PG North West: Department of Education: Educator
A Nel	National Department of Health, Senior Administration Officer
JM Robertson	Ekurhuleni Municipality; Engineer
Dr JC Lombard	PG Gauteng: Department of Education; Deputy Head
E Van der Linde	PG Free State: Department of Education: Educator
M De Vries	University of Pretoria, Educator
J Scheepers	Council of medical Schemes
U Van Wijk	SITA
K West	PG Western Cape: Department of Health
EM Schon	Department of Cooperative Governance, Senior Admin Officer
SM O'Connell	Sol Plaatje Municipality; Librarian
JJ Tselane	PG North West, Department of Public Works, Roads and Transport
AP Louw	Gauteng Dept of Health, Pharmacist Intern

##### Chesmar Trading

Rendering of services for the removal of debris in Kayamandi, Maintenance of grass, etc. to the value of R282,950.

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms Piedt	Western Cape Department of Education



# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
<b>44. Related parties (continued)</b>		
<b>Ithuba Indus</b>		
The supply and delivery of goods and material under Annual Tenders, to the value of R704,482.53		
<b>Spouses, Child or Parent</b> Ms De Morney	<b>State Department</b> Western Cape Department of Education	
<b>ARB Electrical Wholesalers (Pty) Ltd</b>		
The supply and delivery of goods and material under the Annual Tender: Electrical, to the value of R122,566.41		
<b>Spouses, Child or Parent</b> Jacob Modise	<b>State Department</b> ESKOM Holdings: Non Executive Director and Road Accident Fund (RAF): CEO	
<b>Kaizen Chemicals</b>		
The supply and delivery of goods ( White hydrated lime and Calcium hypochlorite granular)		
<b>Spouses, Child or Parent</b> E R Bowers	<b>State Department</b> Stikland Hospital: Social Worker	
<b>GVG Buildings</b>		
The rendering of civil works: Annual Tender, to the value of R140,097.19		
<b>Spouses, Child or Parent</b> MM Gertse	<b>State Department</b> Department: Rural Development and Land Reform	
<b>45. Events after the reporting date</b>		
No events having financial implications requiring disclosure occurred subsequent to 30 June 2011		
<b>46. Unauthorised expenditure</b>		
There were no material unauthorised expenditure for the year under review.		
<b>47. Fruitless and wasteful expenditure</b>		
There were no material fruitless and wasteful expenditure for the year under review.		
<b>48. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government - SALGA</b>		
Council subscriptions	1,116,185	1,086,615
Amount paid - current year	(1,116,185)	(1,086,615)
<b>Balance Unpaid (included in Creditors)</b>	<b>-</b>	<b>-</b>
<b>Audit fees</b>		
Opening balance	13,299	-
Current year Audit Fee	3,305,507	2,869,243
Amount paid - current year	(3,303,852)	(2,855,944)
Amount paid - previous years	(13,299)	-
<b>Balance Unpaid (included in Creditors)</b>	<b>1,655</b>	<b>13,299</b>

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 48. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### VAT

VAT receivable	4,918,530	6,334,122
----------------	-----------	-----------

VAT output payables and VAT input receivables are shown in note 6 .

All VAT returns have been submitted by the due date throughout the year.

#### PAYE and UIF

Opening balance	(1,973,848)	(1,724,727)
Current year Payroll Deductions	(30,830,916)	(26,184,584)
Amount paid - current year	28,206,275	24,210,735
Amount paid - previous years	1,973,848	1,724,727
<b>Balance Unpaid (included in Creditors)</b>	<b>(2,624,641)</b>	<b>(1,973,849)</b>

#### Pension and Medical Aid Deductions

Current year Payroll Deductions and Council Contributions	(60,856,556)	(55,130,522)
Amount paid - current year	60,856,556	55,130,522
<b>Balance Unpaid (included in Creditors)</b>	<b>-</b>	<b>-</b>

#### Councillors' arrear consumer accounts

June 30, 2011	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Frazenburg AR	552	259	811
Johnson MC	740	7,904	8,644
Jindela N	2,035	97,126	99,161
Bergstedt HC	564	20,025	20,589
Joubert DD	1,307	2,981	4,288
Davids JA	3,656	13	3,669
Louw PJ	2,123	7,197	9,320
Mdemka LX	101	1,468	1,569
Gugushe K	642	29,421	30,063
Ngcofe MM	56	1,446	1,502
Du Toit	-	960	960
	<b>11,776</b>	<b>168,800</b>	<b>180,576</b>

#### Deviation from, and ratification of, minor breaches of the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved / condoned by the Municipal Manager and noted by Council. Refer Appendix G.

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 48. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Severance Package

The severance packages amount consists of the following two transactions :

(i) A settlement agreement was reached with Mr. MJ Doralingo (Chief Legal Executive of the Stellenbosch Municipality). The employment of Mr. MJ Doralingo was terminated based on operational reasons. The Municipality paid an amount of R 1,070, 298 as full and final settlement to Mr. MJ Doralingo.

(ii) A severance package of R 600,000.00 was paid to an employee for early retirement by mutual agreement.

### 49. Multi-employer retirement benefit information

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Municipal Councillors Pension Fund and the South African Municipal Workers Union National Provident Fund are defined contribution plans, whereas the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R19,7 million (2009: R19,7 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

#### DEFINED BENEFIT SCHEMES

##### SALA Pension Fund:

The funding level has increased from 106% in 2006 to 110,0% on 1 July 2007. The Solvency Reserve has been calculated at R1 589.3 million for active members and R346.1 million in respect of pensioners. It should be noted that the previous valuation was done by Old Mutual Actuaries and Consultants whereas the latest valuation was done by Genesis Actuarial Solutions. There were restatements of certain published figures but the conclusion was drawn that

# Stellenbosch Municipality

Annual Financial Statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand	2011	Restated 2010
-----------------	------	------------------

### 49. Multi-employer retirement benefit information (continued)

the fund is financially sound at the valuation date.

#### Cape Joint Pension Fund

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The valuation disclosed an actuarial surplus of R182 million and was funded at 106,5%. The fund was certified as being in a sound financial condition as at 30 June 2008 by an actuary.

#### DEFINED CONTRIBUTION SCHEMES

#### Cape Joint Pension Fund

This scheme was established to accommodate the unique characteristics of contract employees and "cost to company" employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The fund was certified as being in a sound financial condition as at 30 June 2008 by the actuary. The valuation disclosed a funding level of 103.3%

#### Cape Joint Retirement Fund

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The valuation disclosed an actuarial surplus of R 42,9 million for the Pensioners Account and was funded at 112,2%, while the Share Account has an investment reserve of R68,5 million and was funded at 101,1%. The actuary is satisfied the fund in a sound financial position as at 30 June 2008.

#### Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2006 and reported a funding ratio of 147.3%.

No further details could be provided for after the last valuation, being 30 June 2006.

#### South African Municipal Workers Union National Provident Fund:

The last actuarial valuation of the fund was performed at 30 June 2005 and certified as being in a financially sound position. The next statutory valuation was due on 30 June 2008, but still in process.

# Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand

Restated  
2010

### 50. Prior period errors

#### Corrections of Errors and Changes in Accounting Policy

30\_06\_2010  
Restated

#### Trade and other receivables from exchange transactions

8 326 072

Trade and other receivables from exchange transactions were restated to account for transactions that should have been recorded in the 2009\_2010 financial year. Interest earned on Eskom deposits must be capitalised against deposits.

#### VAT receivable

-92

The vat receivable was restated to account for vat on hall rentals.

#### Consumer debtors

-8 193 003

Consumer debtors were restated to account for for shifting of debtors from consumer debtors to Trade and other receivables from exchange transactions.

#### Cash and cash equivalents

552 572

Cash and cash equivalents was restated to account for deposits that was unidentified previously.

#### Property, plant and equipment

9 704 000

A complete audit of all land and buildings was done and it revealed that 18 public open spaces was not reflected on the fixed asset register and it was recognised in terms of GRAP 17.

#### Long term receivables

33 594

Housing selling scheme loans were restated to account for transactions that should have been recorded in the 2009\_2010 financial year.

#### Other financial liabilities

1 615 859

The amount of 1 615 859 was erroneously included in 2009\_2010 financial statements under Trade and other payables from exchange transactions, this is a correction of classification.

#### Operating lease liability

8 717

Operating lease liability accounted for which existed at 30 June 2010 that was erroneously omitted.

#### Trade and other payables from exchange transactions

-3 926 580

Trade and other payables from exchange transactions were restated to account for transactions that should have reflected in the 2009\_2010 financial year.

#### Finance lease obligation

-56 032

Finance lease obligation was incorrectly disclosed and the lease contracts terminated on 30 June 2010.

# Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand

Restated  
2010

### 50. Prior period errors (continued)

#### Other financial liabilities

-281 801

Other financial liabilities were restated to account for finance liability in terms of GRAP 13 and the reversal of journals incorrectly captured in the 2009\_2010 financial year.

#### Provisions

-1 621 785

Certain provisions that were previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively.

#### Accumulated Surplus

14 684 765

Accumulated Surplus was restated to account for the corrections on assets and liabilities.

#### Rental of facilities and equipment

61 715

Rental of facilities and equipment was restated to account for income that should have been accounted for in the 2009\_2010 financial year.

#### Other income

-14 346 735

Other Income was restated to correct income that should have been accounted for in the 2009\_2010 financial year and the correction of income duplicated.

#### Interest received - investment

48 209

Interest received - investment was restated to account for interest that should have been accounted for in the 2009\_2010 financial year.

#### Employee related costs

-17 754

Employee related costs was restated to account for a payment to a previous employee that was due as at 30 June 2010.

#### Contribution to/from provisions

-3 234 135

Certain provisions that was previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively which affected the contribution to and from provisions.

#### Repairs and maintenance

-34 592

Repairs and maintenance was restated to correct expenditure that should have been accounted for in the 2009\_2010 financial year.

#### Contracted services

-6 531 418

Contracted services was previously disclosed under General Expenses and is now disclosed separately.

#### General Expenses

21 098 751

General Expenses was restated to correct expenditure that should have been accounted for in the 2009\_2010 financial year and the correction of expenditure duplicated.

# Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand

Restated  
2010

### 50. Prior period errors (continued)

The correction of the errors results in adjustments as follows:

	30_06_2010 Audited	Prior Period Error Amount of Correction	30_06_2010 Restated
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3 175 251	-	3 175 251
Current Portion of Long Term Receivables	306 779	-	306 779
Trade and other receivables from exchange transactions	7 735 054	8 326 072	16 061 126
VAT receivable	6 334 214	-92	6 334 122
Consumer debtors	78 819 638	-8 193 003	70 626 635
Cash and cash Equivalents	239 828 344	552 572	240 380 916
	<b>336 199 280</b>	<b>685 549</b>	<b>336 884 829</b>
<b>Non-Current Assets</b>			
Biological assets	13 529 438	-	13 529 438
Investment Property	522 611 500	-	522 611 500
Property, plant and equipment	2 595 215 959	9 704 000	2 604 919 959
Other financial assets	470 981	33 594	504 575
Reimbursed asset	19 342 105	-	19 342 105
Non-current assets held for sale	555 000	-	555 000
	<b>3 151 724 983</b>	<b>9 737 594</b>	<b>3 161 462 577</b>
<b>Total Assets</b>	<b>3 487 924 263</b>	<b>10 423 143</b>	<b>3 498 347 406</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other financial liabilities	2 985 917	1 615 859	4 601 776
Operating lease liability	-	8 717	8 717
Trade and other payables from exchange transactions	74 701 719	-3 926 580	70 775 139
Vat payable	-	-	-
Consumer deposits	8 211 609	-	8 211 609
Employee benefit obligations	4 578 048	-	4 578 048
Finance lease obligation	56 032	-56 032	-
Unspent conditional grants and receipts	63 163 503	-	63 163 503
Provisions	2 320 094	-	2 320 094
	<b>156 016 922</b>	<b>-2 358 036</b>	<b>153 658 886</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	35 480 824	-281 801	35 199 023
Employee benefit obligations	105 861 695	-	105 861 695
Provisions	47 059 246	-1 621 785	45 437 461
	<b>188 401 765</b>	<b>-1 903 586</b>	<b>186 498 179</b>
<b>Total Liabilities</b>	<b>344 418 687</b>	<b>-4 261 622</b>	<b>340 157 065</b>
<b>Net Assets</b>	<b>3 143 505 576</b>	<b>14 684 765</b>	<b>3 158 190 341</b>
<b>Net Assets</b>			
Accumulated Surplus	2 262 308 930	14 684 765	2 276 993 695
Housing Development Fund	8 673 735	-	8 673 735
Revaluation reserve	872 522 911	-	872 522 911
<b>Total Net Assets</b>	<b>3 143 505 576</b>	<b>14 684 765</b>	<b>3 158 190 341</b>

# Stellenbosch Municipality

Annual Financial statements for the year ended June 30, 2011

## Notes to the Annual Financial Statements

Figures in Rand

Restated  
2010

### 50. Prior period errors (continued)

	30_06_2010 Audited	Prior Period Error Amount of Correction	30_06_2010 Restated
<b>Revenue</b>			
Property rates	179 193 657	-	179 193 657
Service charges	375 070 311	-	375 070 311
Property rates - penalties imposed and collection charges	2 132 469	-	2 132 469
Rental of facilities and equipment	9 918 757	61 715	9 980 472
Interest earned - outstanding Debtors	4 225 531	-	4 225 531
Income from agency services	1 012 783	-	1 012 783
Fines	16 519 358	-	16 519 358
Licences and permits	4 063 364	-	4 063 364
Government grants and subsidies	94 922 309	-	94 922 309
Other income	27 879 324	-14 346 735	13 532 589
Interest received - investment	19 704 045	48 209	19 752 254
<b>Total Revenue</b>	<b>734 641 908</b>	<b>-14 236 811</b>	<b>720 405 097</b>
<b>Expenses</b>			
Employee related costs	-192 410 572	-17 754	-192 428 326
Remuneration of councillors	-9 338 257	-	-9 338 257
Contribution to/from provisions	-14 872 247	-3 234 135	-18 106 382
Depreciation and amortisation	-119 482 204	-	-119 482 204
Impairment loss/Reversal of impairments	-	-	-
Finance costs	-2 824 714	-	-2 824 714
Debt impairment	-12 700 929	-	-12 700 929
Collection costs	-89 875	-	-89 875
Repairs and maintenance	-41 099 390	-34 592	-41 133 982
Bulk purchases	-137 872 956	-	-137 872 956
Contracted services	-	-6 542 598	-6 542 598
Grants and subsidies paid	-864 356	-	-864 356
General Expenses	-156 440 402	21 098 751	-135 341 651
	<b>-687 995 902</b>	<b>11 269 672</b>	<b>-676 726 230</b>
Loss on disposal of assets and liabilities	-93 614	-	-93 614
Fair value adjustments	60 197 024	-	60 197 024
Inventories : (Write-down)/reversal of write down to net realisable value	-19 701	-	-19 701
<b>Surplus for the year</b>	<b>106 729 715</b>	<b>-2 967 139</b>	<b>103 762 576</b>



**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011**

<b>Details</b>	<b>Loan Number</b>	<b>Redeemable Date</b>	<b>Balance at 30 June 2010</b>	<b>Received during the Period</b>	<b>Redeemed/ Written Off during Period</b>	<b>Balance at 30 June 2011</b>
			<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b>DEVELOPMENT BANK OF SOUTH AFRICA</b>						
DBSA @ 9,25%	101878	31 Dec 2020	25 606 815		1 531 368	24 075 447
DBSA @ 11,55%	103081	30 June 2025	11 123 576	-	-	11 123 576
DBSA @ 10.25%	103905	30 June 2026	-	4 733 350	6 324	4 727 026
Trans-Caledon Tunnel Authority	TCTA	30 June 2012	3 231 717	-	1 615 859	1 615 859
<b>Total External Loans</b>			<b>39 962 108</b>	<b>4 733 350</b>	<b>3 153 551</b>	<b>41 541 908</b>

Note: The closing balance only reflects to the actual amount due as at 30 June 2011 and does not include the R20 272 747.58 raised as a debtor for actual capital expenditure in 2010/2011 which is due to the Municipality in terms of the loan agreement.

# Stellenbosch Municipality

Appendix B for the year ended 30 June 2011

## ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>LAND &amp; BUILDINGS</b>										
PPE Buildings	309 186 000	28 237 523	-	-	337 423 523	-18 930	-4 207 023	-	-4 225 953	333 197 570
Investment Buildings	36 115 000	2 204 997	-	-	38 319 997	-	-69 997	-	-69 997	38 250 000
Investment Property	486 506 500	1 847 967	-	-	488 354 467	-10 000	-3 269 467	-	-3 279 467	485 075 000
Land and Buildings	483 998 500	-52 237	-	-	483 946 263	-	-3 763 263	-	-3 763 263	480 183 000
Landfill Sites	6 272 575	-	-	-	6 272 575	-525 974	-366 872	-	-892 846	5 379 729
Non current assets held for sale	555 000	-	-	-	555 000	-	-	-	-	555 000
Vacant land	11 004 000	2 408 000	-	-	13 412 000	-	-	-	-	13 412 000
	<b>1 333 637 575</b>	<b>34 646 249</b>	<b>-</b>	<b>-</b>	<b>1 368 283 825</b>	<b>-554 904</b>	<b>-11 676 622</b>	<b>-</b>	<b>-12 231 526</b>	<b>1 356 052 299</b>
<b>INFRASTRUCTURE ASSETS</b>										
Access control	875 107	597 727	-	-	1 472 834	-21 368	-226 660	-	-248 028	1 224 806
Aprons	111 614	-	-	-	111 614	-5 672	-5 581	-	-11 253	100 361
Bridges, subways & culverts	14 137 162	-	-	-	14 137 162	-381 311	-369 631	-	-750 942	13 386 221
Bus terminals	4 112 126	-	-	-	4 112 126	-492 795	-241 189	-	-733 983	3 378 143
Car parks	24 389	-	-	-	24 389	-8 543	-1 219	-	-9 762	14 627
Fencing	6 890 656	1 022 677	-	-	7 913 333	-1 620 184	-1 226 050	-	-2 846 234	5 067 098
Footways	36 002 852	1 719 252	-	-	37 722 104	-3 353 476	-2 261 016	-	-5 614 492	32 107 612
Mains electrical	29 561 113	3 582 555	563 363	-	33 707 031	-6 164 796	-3 106 443	-	-9 271 239	24 435 792
Mains water	44 409 430	4 300 975	6 383 569	-	55 093 974	-2 754 764	-2 430 963	-	-5 185 726	49 908 247
Meters electrical	701 947	1 010 450	-	-739 790	972 607	-165	-37 691	-	-37 856	934 751
Meters water	54 653 114	-	-	-	54 653 114	-5 093 194	-2 612 400	-	-7 705 594	46 947 520
Motorways	662 564 267	-	-	-	662 564 267	-74 961 359	-24 504 785	-	-99 466 144	563 098 124
Outfall sewers	12 179 572	-	-	-	12 179 572	-	-608 979	-	-608 979	11 570 594
Paving	699 566	1 554 391	-	-	2 253 957	-4 539	-39 439	-	-43 978	2 209 979
Pump stations	2 667 956	-	-	-	2 667 956	-1 157	-133 398	-	-134 555	2 533 401
Purification works	158 891 044	497 550	-	-	159 388 594	-33 623 696	-6 965 702	-	-40 589 398	118 799 196
Rights	27 652	-	-	-	27 652	-9 686	-1 383	-	-11 068	16 584
Other roads	21 226 418	13 559 028	7 595 478	-	42 380 925	-1 620 054	-2 761 438	-	-4 381 492	37 999 433
Runways	-	-	-	-	-	-	-	-	-	-
Security systems	21 409 441	689 189	-	-	22 098 630	-3 074 196	-1 040 566	-	-4 114 762	17 983 868
Sewers	-	3 332 922	4 317 961	-	7 650 883	-	-46 804	-	-46 804	7 604 078
Sewerage pumps	33 094	-	-	-	33 094	-85	-2 206	-	-2 291	30 803
Street lighting	211 287 914	-	-	-	211 287 914	-9 049 805	-6 487 626	-	-15 537 431	195 750 483
Supply/reticulation electrical	-	318 676	-	-	318 676	-	-	-	-	318 676
Supply/reticulation water	314 776 912	-	-	-	314 776 912	-94 734 972	-6 818 529	-	-101 553 502	213 223 411
Stormwater drains	12 543 116	358 601	-	-	12 901 717	-1 917 344	-634 563	-	-2 551 907	10 349 810
Switchgear equipment	137 050 918	-	-	-	137 050 918	-5 626 991	-5 364 920	-	-10 991 911	126 059 007
Reservoirs & tanks	116 508 823	-	168 407	-	116 677 229	-52 574 472	-2 751 169	-	-55 325 641	61 351 588
Taxiways	2 391 973	6 252 579	-	-	8 644 552	-	-120 626	-	-120 626	8 523 926
Transformer kiosks	116 184 636	-	-	-	116 184 636	-16 848 525	-3 072 625	-	-19 921 150	96 263 485
Traffic lights	205 344	454 741	-	-	660 085	-1 266	-15 121	-	-16 387	643 698
Street names & traffic signs	2 563 969	345 439	-	-	2 909 408	-1 010 203	-453 154	-	-1 463 356	1 446 051
	<b>1 984 692 127</b>	<b>39 596 751</b>	<b>19 028 778</b>	<b>-739 790</b>	<b>2 042 577 866</b>	<b>-314 954 616</b>	<b>-74 341 875</b>	<b>-</b>	<b>-389 296 492</b>	<b>1 653 281 374</b>

# Stellenbosch Municipality

Appendix B for the year ended 30 June 2011

## ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>COMMUNITY ASSETS</b>										
Buildings	3 867 573	1 672 236	-	-	5 539 809	-5 353	-179 745	-	-185 098	5 354 711
Cemeteries	216 429	358 217	-	-	574 646	-235	-7 672	-	-7 907	566 739
Community centre	-	72 921	-	-	72 921	-	-198	-	-198	72 722
Game reserves	-	154 100	-	-	154 100	-	-2 786	-	-2 786	151 314
Informal housin	5 825 939	-	-	-	5 825 939	-2 042 005	-291 297	-	-2 333 302	3 492 638
Lakes and dams	-	466 280	-	-	466 280	-	-511	-	-511	465 769
Libraries	-	163 417	-	-	163 417	-	-123	-	-123	163 294
Municipal buildings	6 503 074	1 176 772	299 800	-	7 979 646	-27 351	-243 419	-	-270 770	7 708 877
Outdoor sports	445 089	1 163 449	-	-	1 608 538	-8 545	-31 317	-	-39 862	1 568 676
Parks	1 495 546	1 010 665	-	-	2 506 211	-5 480	-85 748	-	-91 228	2 414 983
Public conveniences/ bathhouses	12 581 967	122 895	-	-	12 704 861	-2 712	-374 592	-	-377 304	12 327 557
Recreation cent	291 735	-	-	-	291 735	-191	-9 725	-	-9 916	281 819
Stadiums	34 589 721	1 540 918	4 357 008	-	40 487 648	-49 080	-1 183 809	-	-1 232 890	39 254 759
Swimming pools	30 335	-	-	-	30 335	-1 076	-1 517	-	-2 593	27 742
	<b>65 847 408</b>	<b>7 901 870</b>	<b>4 656 808</b>	-	<b>78 406 086</b>	<b>-2 142 030</b>	<b>-2 412 458</b>	-	<b>-4 554 487</b>	<b>73 851 599</b>
<b>HERITAGE ASSETS</b>										
Books Africana	143 945	-	-	-	143 945	-	-	-	-	143 945
	<b>143 945</b>	-	-	-	<b>143 945</b>	-	-	-	-	<b>143 945</b>
<b>OTHER ASSETS</b>										
Air conditioner	106 632	171 064	-	-	277 696	-63 549	-19 948	-	-83 497	194 198
Library Books	463 617	35 330	-	-	498 947	-107 882	-123 961	-	-231 843	267 104
Bulk containers	183 022	-	-	-	183 022	-11 134	-17 255	-	-28 389	154 633
Cabinets/cupboard	1 561 486	87 362	-	-	1 648 848	-809 884	-222 365	-	-1 032 249	616 599
Canopy	33 825	34 881	-	-	68 706	-3 032	-9 766	-	-12 798	55 907
Chairs	1 833 019	50 812	-	-	1 883 830	-735 387	-446 417	-	-1 181 804	702 026
Cleaner - steam	72 477	-	-	-	72 477	-57 992	-11 120	-	-69 112	3 365
Computer hardware	4 757 981	1 495 251	-	-7 961	6 245 270	-3 347 179	-390 411	916	-3 736 674	2 508 596
Compactor	17 500	-	-	-	17 500	-17 500	-	-	-17 500	-
Compactor - plate	25 271	-	-	-	25 271	-20 703	-2 515	-	-23 218	2 053
Computer software	2 271 671	224 253	-	-	2 495 924	-543 923	-639 673	-	-1 183 596	1 312 328
Drill - concret	9 939	-	-	-	9 939	-6 562	-1 988	-	-8 550	1 389
Equipment/apparatus	16 473	-	-	-	16 473	-9	-3 295	-	-3 304	13 169
Equipment/apparatus	204 807	770 707	-	-	975 514	-100 431	-51 345	-	-151 777	823 738
Electrical equipment	13 081 631	1 751 159	-	-	14 832 790	-888 096	-2 561 885	-	-3 449 981	11 382 809
Laboratory equipment	19 822	22 099	-	-	41 921	-14 312	-6 819	-	-21 131	20 790
Radio equipment	18 385	156 361	-	-	174 746	-89	-26 253	-	-26 342	148 405
Telecommunications	690 515	5 677	-	-	696 192	-567 832	-26 723	-	-594 555	101 638
Fire equipment	502 389	-	-	-	502 389	-280 376	-31 955	-	-312 331	190 058
Firearms	173 684	-	-	-	173 684	-10 114	-34 737	-	-44 851	128 833
Generator	694 970	-	-	-	694 970	-275 596	-120 439	-	-396 035	298 934
General plant	14 200	-	-	-	14 200	-14 200	-	-	-14 200	-
Household refuse	2 106 319	1 377 313	-	-	3 483 632	-1 054 518	-467 903	-	-1 522 421	1 961 211
Housing schemes	199 071	941 501	-	-	1 140 572	-18	-6 722	-	-6 740	1 133 832

# Stellenbosch Municipality

Appendix B for the year ended 30 June 2011

## ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Hoist - refuse	3 079 906	22 470	-	-	3 102 376	-226 105	-607 494	-	-833 598	2 268 778
Irrigation system	17 209	53 000	-	-	70 209	-10 189	-2 444	-	-12 634	57 575
Emergency light	82 235	4 030	-	-	86 265	-82 235	-83	-	-82 318	3 947
Miscellaneous furniture	2 206 080	745 574	-	-	2 951 654	-907 847	-333 541	-	-1 241 388	1 710 266
Office building	893	186 727	-	-	187 620	-417	-362	-	-779	186 841
Office machines	14 448 815	43 975	-	-	14 492 790	-5 776 402	-2 191 545	-	-7 967 947	6 524 843
Pipelines	1 091 263	1 345 308	14 355 090	-	16 791 661	-1 047	-55 311	-	-56 357	16 735 304
Plant and Equipment	6 239 937	400 758	-	-	6 640 695	-5 409 819	-406 645	-	-5 816 464	824 231
Pumps	-	106 908	-	-	106 908	-	-3 977	-	-3 977	102 931
Roller - pavement	1 635 494	-	-	-	1 635 494	-770 520	-309 317	-	-1 079 837	555 657
Tables/desks	2 519 664	1 860	-	-	2 521 524	-1 097 617	-539 875	-	-1 637 492	884 032
Telecommunication	3 110 596	211 354	-	-	3 321 950	-2 499 439	-256 724	-	-2 756 163	565 787
Tipppers	130 347	-	-	-	130 347	-95 659	-8 690	-	-104 349	25 998
Tip sites	2 595 871	7 584 637	-	-	10 180 508	-263	-102 971	-	-103 233	10 077 275
Tools	204 428	88 318	-	-	292 746	-96 506	-35 858	-	-132 364	160 382
Trailers	66 277	140 875	-	-	207 152	-54 848	-8 314	-	-63 162	143 990
Vehicles	8 552 271	116 600	-	-	8 668 871	-5 017 297	-506 807	-	-5 524 103	3 144 768
Compressors	9 970	-	-	-	9 970	-7 987	-1 983	-	-9 970	-
Compactor truck	1 419 561	3 596 052	-	-	5 015 613	-764 692	-452 903	-	-1 217 595	3 798 019
Lawnmowers	69 374	105 525	-	-	174 899	-69 374	-32 857	-	-102 231	72 668
Roller - mechanical	91 200	160 480	-	-	251 680	-91 200	-20 401	-	-111 601	140 079
Street sweeper	-	1 401 700	-	-	1 401 700	-	-156 682	-	-156 682	1 245 018
Trucks/bakkies	29 074 046	2 572 748	-	-	31 646 794	-12 537 596	-2 203 338	-	-14 740 934	16 905 860
Tractors	163 000	174 000	-	-	337 000	-2 813	-20 018	-	-22 832	314 168
	<b>105 867 142</b>	<b>26 186 668</b>	<b>14 355 090</b>	<b>-7 961</b>	<b>146 400 940</b>	<b>-44 450 189</b>	<b>-13 481 634</b>	<b>916</b>	<b>-57 930 907</b>	<b>88 470 033</b>
<b>INTANGIBLE ASSETS</b>										
Town planning		1 126 324			1 126 324		-617		-617	1 125 706
	-	<b>1 126 324</b>	-	-	<b>1 126 324</b>	-	<b>-617</b>	-	<b>-617</b>	<b>1 125 706</b>
	<b>3 490 188 197</b>	<b>109 457 862</b>	<b>38 040 677</b>	<b>-747 751</b>	<b>3 636 938 984</b>	<b>-362 101 739</b>	<b>-101 913 206</b>	<b>916</b>	<b>-464 014 029</b>	<b>3 172 924 956</b>

\* Note - Additions as per Appendix B

Additions  
Under Construction

109 457 862

38 040 677

**147 498 539**

\* Note - Additions consist of the following

Capital Expenditure  
Revaluation  
Donated Assets

112 695 051

34 646 249

157 238

**147 498 539**

**Stellenbosch Municipality**

Appendix C for the year ended 30 June 2011

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011**

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Movements	Closing Balance	Opening Balance	Movements	Revaluation Reversal	Movements	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
Executive and Council	15 984 130	49 854	-	-	-	16 033 984	(6 710 461)	(751 172)	-	-	(7 461 633)	8 572 351
Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Manager	1 159 067	49 854	-	-	-	1 208 921	(332 133)	(157 573)	-	-	(489 706)	719 215
Council General	11 849 335	-	-	-	-	11 849 335	(5 804 754)	(400 177)	-	-	(6 204 932)	5 644 400
Integrated Development Plan	1 048 960	-	-	-	-	1 048 960	(157 058)	(37 328)	-	-	(194 386)	854 574
Strategic Services General	1 926 767	-	-	-	-	1 926 767	(416 515)	(156 093)	-	-	(572 609)	1 354 159
Finance and Administration	23 530 324	1 652 392	349 544	-	(7 961)	25 524 299	(9 567 460)	(2 861 899)	-	916	(12 428 443)	13 095 857
Finance & Administration	5 969 927	160 172	349 544	-	-	6 479 643	(4 953 467)	(311 614)	-	-	(5 265 080)	1 214 563
Stores	201 702	-	-	-	-	201 702	(108 494)	(23 293)	-	-	(131 787)	69 915
IT Section	2 386 209	1 123 525	-	-	(7 961)	3 501 773	(135 253)	(696 546)	-	916	(830 882)	2 670 891
Personnel Services	671 930	347 219	-	-	-	1 019 149	(173 167)	(162 442)	-	-	(335 609)	683 540
Liaison Services	7 805 796	21 476	-	-	-	7 827 272	(2 465 610)	(1 265 829)	-	-	(3 731 439)	4 095 833
Printing Section	217 763	-	-	-	-	217 763	(72 066)	(40 398)	-	-	(112 464)	105 299
Adminlstration Stellenbosch	5 153 277	-	-	-	-	5 153 277	(1 329 856)	(292 358)	-	-	(1 622 215)	3 531 062
Administration Franschhoek	1 123 720	-	-	-	-	1 123 720	(329 547)	(69 419)	-	-	(398 966)	724 754
Planning and Development	61 993 882	149 957	7 071 208	-	-	69 215 047	(13 887 860)	(1 425 810)	(72 168)	-	(15 385 838)	53 829 209
Planning & Development	1 808 599	126 806	6 325 360	-	-	8 260 765	(422 156)	(533 891)	-	-	(956 047)	7 304 718
Town Planning	2 289 021	-	-	-	-	2 289 021	(958 980)	(318 199)	-	-	(1 277 179)	1 011 842
Town Development	57 266 341	-	-	-	-	57 266 341	(11 984 366)	(512 626)	(72 168)	-	(12 569 160)	44 697 181
Building Control	629 921	-	-	-	-	629 921	(522 358)	(50 314)	-	-	(572 672)	57 250
Property Management	-	23 151	745 847	-	-	768 998	-	(10 780)	-	-	(10 780)	758 218
						-					-	-
Health	15 909 253	9 677	390 282	-	-	16 309 212	(4 861 924)	(200 348)	(13 376)	-	(5 075 649)	11 233 563
Health General	8 135 368	-	-	-	-	8 135 368	(3 298 649)	-	-	-	(3 298 649)	4 836 720
Aan-het-pad Clinic	139 595	-	-	-	-	139 595	(30 000)	-	-	-	(30 000)	109 594
Poli Clinic	-	-	-	-	-	-	-	-	-	-	-	-
Kayamandi Clinic	1 048 598	-	-	-	-	1 048 598	(194 682)	(19 237)	-	-	(213 918)	834 680
Victoria Street Clinic	233 484	-	-	-	-	233 484	(84 963)	-	-	-	(84 963)	148 520
Klapmuts Clinic	709 527	-	-	-	-	709 527	(185 459)	-	(13 376)	-	(198 835)	510 692
Don & Pat Bilton Clinic	923 384	-	-	-	-	923 384	(319 599)	-	-	-	(319 599)	603 785
Stellenbosch Cemetery	4 702 702	9 677	390 282	-	-	5 102 660	(734 519)	(179 366)	-	-	(913 884)	4 188 776
Franschhoek Cemetery	16 595	-	-	-	-	16 595	(14 054)	(1 746)	-	-	(15 799)	796
						-					-	-
Community and Social Services	2 858 700	871 017	49 033	-	-	3 778 750	(982 380)	(475 907)	-	-	(1 458 287)	2 320 463
Director Community	585 059	736 042	-	-	-	1 321 101	(14 813)	(173 394)	-	-	(188 207)	1 132 894
Director Social Services	83 050	-	-	-	-	83 050	(31 043)	(14 477)	-	-	(45 519)	37 531
Rhenish Complex	118 499	-	-	-	-	118 499	(27 575)	-	-	-	(27 575)	90 924
Plein Street Library	1 259 065	99 645	49 033	-	-	1 407 743	(552 662)	(153 160)	-	-	(705 822)	701 920
Idas Valley Library	203 914	-	-	-	-	203 914	(67 571)	(23 270)	-	-	(90 841)	113 072
Cloetesville Library	145 226	4 515	-	-	-	149 741	(50 036)	(29 898)	-	-	(79 934)	69 807
Kayamandi Library	120 232	-	-	-	-	120 232	(56 418)	(27 086)	-	-	(83 504)	36 728
Pniel Library	80 525	1 429	-	-	-	81 954	(36 374)	(17 729)	-	-	(54 103)	27 851
Franschhoek Library	263 130	29 387	-	-	-	292 516	(145 889)	(36 893)	-	-	(182 783)	109 734

**Stellenbosch Municipality**

Appendix C for the year ended 30 June 2011

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011**

Description	Cost / Revaluation						Accumulated Depreciation / Impairment					Carrying Value
	Opening Balance	Additions	Under Construction	Transfers	Movements	Closing Balance	Opening Balance	Movements	Revaluation Reversal	Movements	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	
Housing	38 661 084	68 706	-	-	-	38 729 790	(13 428 414)	(768 429)	-	-	(14 196 843)	24 532 947
Flats	113 834	-	-	-	-	113 834	(20 501)	(13 333)	-	-	(33 834)	80 000
Housing General	31 176 136	68 706	-	-	-	31 244 841	(13 014 285)	(264 958)	-	-	(13 279 243)	17 965 598
Housing Special Projects	7 371 115	-	-	-	-	7 371 115	(393 628)	(490 138)	-	-	(883 766)	6 487 349
Public Safety	50 519 235	1 043 369	647 187	-	-	52 209 791	(15 276 768)	(2 950 616)	-	-	(18 227 384)	33 982 407
Director Public Safety	1 358 061	362 292	11 910	-	-	1 732 264	(27 449)	(242 101)	-	-	(269 550)	1 462 713
Fire Services	8 936 094	416 487	-	-	-	9 352 581	(5 582 220)	(508 446)	-	-	(6 090 666)	3 261 915
Disaster Management	3 190 855	-	-	-	-	3 190 855	(1 629 895)	(291 671)	-	-	(1 921 567)	1 269 289
Security	22 703 596	191 832	635 277	-	-	23 530 706	(3 551 786)	(1 141 659)	-	-	(4 693 444)	18 837 261
Town Hall Plein Street	674 964	-	-	-	-	674 964	(530 061)	(41 721)	-	-	(571 781)	103 183
Eikestad Hall	90 242	-	-	-	-	90 242	(35 926)	(30 502)	-	-	(66 427)	23 815
Community Hall Pniel	23 175	-	-	-	-	23 175	(12 965)	(5 192)	-	-	(18 157)	5 018
Community Centre Groendal	77 801	-	-	-	-	77 801	(43 466)	(14 107)	-	-	(57 573)	20 228
Town Hall Franschhoek	336 621	-	-	-	-	336 621	(107 418)	(14 159)	-	-	(121 576)	215 044
Licencing	791 606	-	-	-	-	791 606	(554 618)	(89 868)	-	-	(644 487)	147 120
Traffic Control	11 688 762	72 758	-	-	-	11 761 520	(3 199 797)	(570 702)	-	-	(3 770 499)	7 991 020
Parking Areas	647 456	-	-	-	-	647 456	(1 167)	(489)	-	-	(1 656)	645 800
Sport and Recreation	48 713 797	24 757 882	253 461	-	-	73 725 139	(13 105 526)	(2 739 804)	(131 969)	-	(15 977 299)	57 747 841
Environment & Recreation	248 878	-	-	-	-	248 878	(170 409)	(22 550)	-	-	(192 959)	55 919
Workshop	270 177	-	-	-	-	270 177	(255 863)	(5 659)	-	-	(261 523)	8 655
Parks Stellenbosch	12 625 714	1 083 953	-	-	-	13 709 667	(6 003 122)	(674 530)	-	-	(6 677 652)	7 032 015
Parks Franschhoek	2 128 693	-	-	-	-	2 128 693	(537 093)	(40 033)	-	-	(577 126)	1 551 567
Street Trees	401 829	-	-	-	-	401 829	(66 516)	(33 531)	-	-	(100 047)	301 782
Street Beautification	586 709	723 266	-	-	-	1 309 975	(52 609)	(25 620)	-	-	(78 228)	1 231 747
Nursery	1 110 135	-	-	-	-	1 110 135	(482 528)	(29 991)	-	-	(512 519)	597 616
Jan Marias Nature Reserve	336 445	203 695	-	-	-	540 140	(119 823)	(35 198)	-	-	(155 022)	385 118
Jonkershoek Picnic Site	332 723	-	-	-	-	332 723	(22 110)	(42 560)	-	-	(64 670)	268 053
Van der Stel Sport	21 507 804	22 332 913	-	-	-	43 840 716	(2 535 842)	(1 548 492)	-	-	(4 084 334)	39 756 382
Idas Valley Sport	134 062	103 250	223 340	-	-	460 652	(105 370)	(25 410)	-	-	(130 780)	329 872
Cloetessville Sport	603 954	-	-	-	-	603 954	(482 409)	(11 959)	-	-	(494 367)	109 587
Swimming Pool Cloetessville	271 732	-	-	-	-	271 732	(96 547)	(4 412)	-	-	(100 959)	170 773
Kayamandi Sport	1 716 810	206 859	-	-	-	1 923 669	(237 815)	(9 458)	-	-	(247 273)	1 676 396
Kylemore Sport	1 603 439	103 946	-	-	-	1 707 385	(124 209)	(118 710)	-	-	(242 919)	1 464 465
Klapmuts Sport	1 336 522	-	-	-	-	1 336 522	(616 330)	(1 412)	-	-	(617 741)	718 781
Jamestown Sport	1 206 964	-	-	-	-	1 206 964	(481 322)	(33 867)	-	-	(515 189)	691 775
Pniel Sport	692 551	-	-	-	-	692 551	(270 490)	(61 301)	-	-	(331 791)	360 760
Groendal Sport	10 978	-	-	-	-	10 978	(5 847)	(4 371)	-	-	(10 218)	760
Raithby Sport	1 587 677	-	30 121	-	-	1 617 798	(439 269)	(10 741)	(131 969)	-	(581 980)	1 035 818

**Stellenbosch Municipality**

Appendix C for the year ended 30 June 2011

**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011**

Description	Opening Balance R	Additions R	Cost / Revaluation			Closing Balance R	Opening Balance R	Accumulated Depreciation / Impairment			Closing Balance R	Carrying Value R
			Under Construction R	Transfers R	Movements R			Movements R	Revaluation Reversal R	Movements R		
<b>Environmental Protection</b>	<b>275 518 103</b>	<b>14 100 267</b>	<b>14 523 172</b>	-	-	<b>304 141 542</b>	<b>(75 852 970)</b>	<b>(11 133 079)</b>	<b>(548 307)</b>	-	<b>(87 534 356)</b>	<b>216 607 186</b>
Market	46 862 994	-	-	-	-	46 862 994	(6 702 321)	-	-	-	(6 702 321)	40 160 674
Refuse Removal	25 769 146	12 191 114	-	-	-	37 960 260	(7 532 376)	(3 023 203)	-	-	(10 555 578)	27 404 682
Dumping Site	1 093 983	-	-	-	-	1 093 983	(218 072)	(41 254)	-	-	(259 326)	834 657
Klapmuts Transfer Station	-	-	-	-	-	-	-	-	-	-	-	-
Cleaning of Streets	1 835 962	333 181	1 878 157	-	-	4 047 300	(165 064)	(508 363)	-	-	(673 427)	3 373 873
Public Facilities	14 566 695	-	-	-	-	14 566 695	(6 447 208)	-	-	-	(6 447 208)	8 119 487
Sewerage Purification	-	-	-	-	-	-	-	-	-	-	-	-
Stellenbosch	78 620 865	548 307	-	-	-	79 169 172	(22 214 683)	(4 007 125)	(548 307)	-	(26 770 115)	52 399 057
Sewer Network	98 569 836	1 027 665	12 645 015	-	-	112 242 516	(30 379 489)	(3 303 271)	-	-	(33 682 760)	78 559 756
Composting	3 116 550	-	-	-	-	3 116 550	(1 648 667)	(104 718)	-	-	(1 753 385)	1 363 165
Sewerage Purification	-	-	-	-	-	-	-	-	-	-	-	-
Franschoek	4 938 867	-	-	-	-	4 938 867	(433 571)	(138 136)	-	-	(571 707)	4 367 160
Sewerage Purification Pniel	143 205	-	-	-	-	143 205	(111 520)	(7 009)	-	-	(118 529)	24 676
<b>Roads and Transport</b>	<b>1 963 965 723</b>	<b>43 790 743</b>	<b>7 595 478</b>	-	-	<b>2 015 351 944</b>	<b>(91 589 724)</b>	<b>(31 238 216)</b>	<b>(10 543 929)</b>	-	<b>(133 371 869)</b>	<b>1 881 980 076</b>
Municipal Buildings	1 220 969 072	1 874 708	-	-	-	1 222 843 780	(2 775 264)	(197 464)	(10 543 929)	-	(13 516 657)	1 209 327 123
Engineering Services General	1 235 357	128 664	-	-	-	1 364 021	(201 128)	(164 182)	-	-	(365 310)	998 711
Workshop	1 650	-	-	-	-	1 650	(948)	(536)	-	-	(1 483)	167
Roads	659 226 420	40 714 073	7 595 478	-	-	707 535 971	(78 524 623)	(26 717 650)	-	-	(105 242 272)	602 293 699
Sidewalks	39 747 740	218 532	-	-	-	39 966 272	(4 196 971)	(2 769 575)	-	-	(6 966 545)	32 999 726
Stormwater	42 785 485	854 766	-	-	-	43 640 251	(5 890 791)	(1 388 810)	-	-	(7 279 601)	36 360 650
<b>Water</b>	<b>377 897 064</b>	<b>11 563 969</b>	<b>6 597 951</b>	-	-	<b>396 058 984</b>	<b>(50 782 456)</b>	<b>(12 859 931)</b>	-	-	<b>(63 642 387)</b>	<b>332 416 596</b>
Water Network	286 671 840	10 198 695	6 383 659	-	-	303 254 194	(24 551 663)	(8 977 978)	-	-	(33 529 641)	269 724 553
Reservoirs & Supply Lines	72 911 867	-	168 407	-	-	73 080 274	(10 536 755)	(3 600 902)	-	-	(14 137 658)	58 942 616
Purification Idas Valley	15 078 746	-	-	-	-	15 078 746	(14 412 354)	(13 733)	-	-	(14 426 088)	652 659
Purification Paradyskloof	2 275 095	-	45 885	-	-	2 320 980	(1 142 444)	(229 972)	-	-	(1 372 416)	948 563
Purification Franschoek	959 517	1 365 274	-	-	-	2 324 790	(139 239)	(37 346)	-	-	(176 585)	2 148 205
<b>Electricity</b>	<b>614 636 900</b>	<b>11 400 029</b>	<b>563 363</b>	-	<b>(739 790)</b>	<b>625 860 502</b>	<b>(66 055 797)</b>	<b>(23 198 245)</b>	-	-	<b>(89 254 042)</b>	<b>536 606 461</b>
Electricity	614 636 900	11 400 029	563 363	-	(739 790)	625 860 502	(66 055 797)	(23 198 245)	-	-	(89 254 042)	536 606 461
Electrical Administration	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3 490 188 197</b>	<b>109 457 862</b>	<b>38 040 677</b>	-	<b>(747 751)</b>	<b>3 636 938 984</b>	<b>(362 101 739)</b>	<b>(90 603 456)</b>	<b>(11 309 749)</b>	<b>916</b>	<b>(464 014 029)</b>	<b>3 172 924 956</b>

\* Note - Additions as per Appendix C

Additions  
Under Construction

109 457 862
38 040 677
<b>147 498 539</b>

\* Note - Additions consist of the following

Capital Expenditure  
Revaluation  
Donated Assets

112 695 051
34 646 249
157 238
<b>147 498 539</b>

# Stellenbosch Municipality

Appendix D for the year ended 30 June 2011

## SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R	Description	Vote Number	2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R
-	4 388 967	(4 388 967)	Municipal Manager	1100	-	-	2 027 057	3 914 100	(2 027 057)
-	1 198 268	(1 198 268)	Internal Audit	1105	-	-	1 727 393	3 116 271	(1 727 393)
-	-	-	Liaison Executive	1111	-	-	1 661 597	3 188 251	(1 661 597)
-	3 766	(3 766)	Soccer World Cup 2010	1110	-	-	-	-	-
-	2 772 055	(2 772 055)	Secretariate and Administration	7710	-	-	2 356 822	2 371 969	(2 356 822)
247 368	6 318 334	(6 070 967)	Legal Services	7720	694	-	5 341 808	5 439 738	(5 341 114)
<b>247 368</b>	<b>14 681 390</b>	<b>(14 434 022)</b>	<b>MUNICIPAL MANAGER</b>		<b>694</b>	<b>-</b>	<b>13 114 677</b>	<b>18 030 329</b>	<b>(13 113 982)</b>
4 563 440	3 039 509	1 523 931	Planning and Development	2200	1 686 498	-	4 381 533	2 957 687	(2 695 034)
2 811 776	5 270 111	(2 458 336)	Building Control	2205	3 828 423	2 799 251	6 058 471	5 778 915	(2 230 048)
163 013	4 693 551	(4 530 538)	Town Planning	2210	152 122	161 310	4 504 306	4 999 276	(4 352 184)
20 000	521 186	(501 186)	Town Development	2230	-	-	584 794	2 581 960	(584 794)
-	-	-	Property Management	2235	23 151	-	471 924	1 231 356	(448 773)
18 353 836	14 977 055	3 376 782	Integrated Human Settlements	3780	20 388 194	20 586 885	21 106 681	23 091 495	(718 487)
-	2 117 746	(2 117 746)	New Housing	3783	-	-	3 080 530	3 957 372	(3 080 530)
1 836 456	2 977 480	(1 141 025)	Housing Special Projects	3784	-	-	1 927 088	500 310	(1 927 088)
3 252 919	6 800 743	(3 547 824)	Housing Administration	3781	3 607 773	3 360 776	7 268 840	6 763 854	(3 661 067)
751 047	756 788	(5 741)	Maintenance: Scheme Houses	3577	801 088	805 240	804 636	805 240	(3 548)
62 655 300	8 132 413	54 522 887	Municipal Buildings	6220	713 500	-	13 566 530	13 489 288	(12 853 030)
-	277 210	(277 210)	Administration Stellenbosch	7805	-	-	919 015	678 690	(919 015)
-	89 873	(89 873)	Administration Franschhoek	7806	-	-	216 671	115 471	(216 671)
4 391 784	2 030 026	2 361 758	Housing Schemes	Various	4 587 902	5 042 107	1 276 499	5 329 680	3 311 404
374 860	374 860	-	Growth Management Strategy	9914	41 749	-	41 749	-	-
5 700	5 700	-	Special Fund Housing Consumers	9922	-	55 161	-	55 161	-
<b>99 180 130</b>	<b>52 064 252</b>	<b>47 115 879</b>	<b>PLANNING &amp; DEVELOPMENT SERVICES</b>		<b>35 830 401</b>	<b>32 810 730</b>	<b>66 209 267</b>	<b>72 335 755</b>	<b>(30 378 866)</b>
-	95 190	(95 190)	Community Services General	3111	74 240	-	323 794	422 660	(249 554)
-	2 555 168	(2 555 168)	Community Services Director	3112	-	-	2 299 994	2 063 124	(2 299 994)
-	676 060	(676 060)	Social and Human Development	3113	-	-	1 632 798	2 122 206	(1 632 798)
-	18 970	(18 970)	Stellenbosch Youth Council	3114	-	-	35 867	42 740	(35 867)
-	1 798 362	(1 798 362)	Forestry, Parks & Recreation	3300	-	-	1 797 306	1 893 335	(1 797 306)
-	318 975	(318 975)	Workshop	3301	-	-	401 360	360 686	(401 360)
15 832	6 987 797	(6 971 965)	Parks & Sidewalks Stellenbosch	3305	55 880	16 283	8 405 001	6 851 269	(8 349 121)
-	1 625 928	(1 625 928)	Parks & Sidewalks Franschhoek	3306	-	375 830	2 237 290	2 210 033	(2 237 290)
-	1 415 597	(1 415 597)	Street Trees	3310	-	-	1 625 747	1 505 981	(1 625 747)
45 000	1 861 047	(1 816 047)	Street Beautification	3311	-	-	2 039 836	1 798 883	(2 039 836)
-	654 978	(654 978)	Nursery	3315	-	-	770 908	836 851	(770 908)
3 328 887	6 740 612	(3 411 725)	Commonage & Plantations	3320	3 768 264	3 375 715	(164 220)	1 660 524	3 932 484
15 413	469 501	(454 087)	Jan Marais Nature Reserve	3325	11 244	1 620	616 509	448 555	(605 265)
132 211	116 457	15 753	Jonkershoek Picnic Site	3330	217 328	30 716	209 905	145 564	7 424
-	570	(570)	Dwarsrivier Picnic Site	3331	-	-	2 239	2 990	(2 239)



# Stellenbosch Municipality

Appendix D for the year ended 30 June 2011

## SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R	Description	Vote Number	2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R
687 781	1 370 823	(683 042)	Van der Stel Sport	3340	894 432	-	3 190 677	3 329 098	(2 296 244)
(587)	510 832	(511 419)	Idas Valley Sport	3341	193 445	-	875 314	253 093	(681 869)
17 788	955 065	(937 277)	Cloetesville Sport	3342	91 041	10 630	723 258	306 746	(632 217)
-	12 507	(12 507)	Golf Club	3343	-	-	13 345	20 350	(13 345)
32 433	654 703	(622 270)	Swimming Pool Cloetesville	3344	38 226	37 349	801 575	770 685	(763 349)
349 413	273 965	75 448	Kayamandi Sport	3345	195	-	316 706	164 292	(316 511)
(618)	396 696	(397 314)	Kylemore Sport	3346	104 141	-	499 402	348 779	(395 261)
949	263 398	(262 449)	Klapmuts Sport	3347	195	-	205 259	160 338	(205 065)
227 924	204 803	23 121	Jamestown Sport	3348	195	-	263 908	225 850	(263 713)
140 954	886 166	(745 212)	Pniel Sport	3349	195	-	1 159 762	765 682	(1 159 567)
(587)	135 087	(135 675)	Groendal Sport	3350	370	-	73 972	51 388	(73 602)
(587)	327 648	(328 235)	Raithby Sport	3351	30 315	-	355 144	220 173	(324 829)
1 064	(982)	2 046	Health General	3500	14 293	-	14 177	20 000	116
-	46 278	(46 278)	Aan-het-pad Clinic	3505	-	-	29 512	40 319	(29 512)
-	(1)	1	Poli Clinic	3506	-	-	49 137	-	(49 137)
-	35 751	(35 751)	Kayamandi Clinic	3507	-	-	19 237	60 258	(19 237)
-	-	-	Victoria Street Clinic	3508	-	-	-	10 690	-
-	85 936	(85 936)	Klapmuts Clinic	3511	-	-	27 534	125 692	(27 534)
-	-	-	Don & Pat Bilton Clinic	3512	-	-	-	46 170	-
-	75 052	(75 052)	Groendal Clinic	3518	-	-	126 494	86 448	(126 494)
-	2 516	(2 516)	Pest Control	3520	-	-	3 183	10 520	(3 183)
541 792	1 318 780	(776 988)	Stellenbosch Cemetery	3545	653 341	506 054	1 440 513	1 193 410	(787 173)
-	85 804	(85 804)	Pniel Cemetery	3546	-	-	95 504	95 394	(95 504)
72 215	411 372	(339 157)	Franschhoek Cemetery	3547	53 960	85 030	462 769	493 816	(408 808)
-	231 339	(231 339)	Rhenish Complex	3742	-	-	193 409	290 516	(193 409)
15 576	51 723	(36 147)	Voorlegegen	3743	17 451	16 358	97 406	11 326	(79 955)
16 672	2 668 225	(2 651 553)	Plein Street Library	3750	113 831	14 395	3 464 330	3 656 119	(3 350 499)
21 184	565 682	(544 498)	Idas Valley Library	3751	21 946	16 985	737 248	737 615	(715 302)
22 330	752 217	(729 887)	Cloetesville Library	3752	20 902	20 992	801 903	766 957	(781 002)
9 414	405 983	(396 569)	Kayamandi Library	3753	7 387	2 447	489 193	475 080	(481 806)
4 668	541 085	(536 417)	Pniel Library	3754	7 884	4 466	603 472	591 739	(595 588)
18 595	609 258	(590 663)	Franschhoek Library	3755	18 434	18 635	737 770	710 469	(719 336)
-	555	(555)	Groendal Library	3756	-	-	4 528	810	(4 528)
253 059	1 256 354	(1 003 294)	Town Hall Plein Street	5740	272 659	253 574	1 681 480	1 366 353	(1 408 821)
21 807	278 628	(256 821)	Eikestad Hall	5741	35 596	25 089	353 170	282 015	(317 573)
-	131 065	(131 065)	Community Centre Kayamandi	5744	2 285	2 020	35 675	101 606	(33 390)
-	-	-	Administration Hall Kayamandi	5745	-	11 240	-	-	-
15 180	25 581	(10 402)	Admin Buildings & Hall Pniel	5746	14 220	15 788	31 732	23 481	(17 512)
25 833	296 994	(271 161)	Community Centre Groendal	5747	28 327	33 753	314 560	286 009	(286 233)
-	350	(350)	Community Hall Groendal	5748	-	-	14 107	-	(14 107)
55 395	9 838	45 557	Town Hall Franschhoek	5749	40 621	67 505	14 828	48 430	25 793
(627)	1 372	(1 999)	Community Hall : Kylemore	5750	3 046	16 860	3 422	18 060	(376)

# Stellenbosch Municipality

Appendix D for the year ended 30 June 2011

## SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R	Description	Vote Number	2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R
13 004	8 489	4 515	Community Hall: LA Motte	5751	10 605	18 689	4 937	21 948	5 668
9 079	7 096	1 983	Community Hall: Wemmershoek	5752	10 202	16 860	3 580	21 982	6 622
-	5 613 741	(5 613 741)	Cleaning of Streets	6540	-	-	5 553 945	5 532 779	(5 553 945)
-	1 945 231	(1 945 231)	Public Participation	8116	-	-	2 122 946	2 864 554	(2 122 946)
692 370	692 370	-	Special Fund: Library Services	9913	953 899	1 128 489	953 899	1 128 489	-
119 837	182 594	(62 757)	Special Fund Dilbeek	9912	85 326	141 250	85 326	141 260	-
116 136	116 136	-	Special Fund CDW Support Grant	9919	191 904	239 145	191 904	239 145	-
<b>7 036 788</b>	<b>36 881 104</b>	<b>(29 844 316)</b>	<b>COMMUNITY SERVICES</b>		<b>8 057 826</b>	<b>6 503 767</b>	<b>51 475 489</b>	<b>50 481 334</b>	<b>(43 417 664)</b>
255 253 099	152 871 593	102 381 506	Electrical Engineering Services	4400	306 712 280	277 700 432	204 200 834	200 279 181	102 511 446
-	3 065 550	(3 065 550)	Electrical Engineering Client Services	4410	-	-	4 811 731	4 547 900	(4 811 731)
-	75 860 527	(75 860 527)	Electrical Engineering System Operations	4420	-	-	47 905 668	45 018 725	(47 905 668)
-	1 106 397	(1 106 397)	Public Facilities	6515	-	-	1 472 469	2 110 530	(1 472 469)
178 846	-	178 846	Market	6525	236 504	178 602	-	2 344 500	236 504
-	4 116 318	(4 116 318)	Civil Engineers General Services	6600	-	-	5 900 170	6 079 118	(5 900 170)
19 770 131	31 768 762	(11 998 631)	Roads	6620	20 233 339	434 590	35 971 776	37 863 761	(15 738 437)
-	5 344 937	(5 344 937)	Sidewalks & Cycle Paths	6621	-	-	4 090 777	3 981 057	(4 090 777)
-	7 249 535	(7 249 535)	Stormwater	6625	-	-	7 477 475	6 966 224	(7 477 475)
-	185 682	(185 682)	Workshop	6640	-	-	205 620	200 399	(205 620)
74 343 187	59 763 546	14 579 641	Water Network	6650	89 021 887	62 119 951	51 117 511	50 305 363	37 904 376
586 489	10 302 895	(9 716 406)	Reservoirs & Supply Lines	6651	-	-	9 564 795	10 544 703	(9 564 795)
-	16 482 465	(16 482 465)	Water Filtration Idas Valley	6652	-	-	3 519 249	3 464 141	(3 519 249)
-	4 614 396	(4 614 396)	Water Filtration Paradyskloof	6653	-	-	2 588 865	3 987 446	(2 588 865)
-	50 778	(50 778)	Reservoir & Filtration Franschoek	6654	54 273	-	(24 763)	72 440	79 036
29 884 343	23 279 107	6 605 236	Refuse Removal	6530	37 472 545	33 085 410	20 038 715	22 163 843	17 433 830
590 404	(2 291 166)	2 881 570	Dumping Site	6535	586 111	691 953	3 964 182	2 820 815	(3 378 071)
2 247	1 722 058	(1 719 811)	Klapmuts Transfer Station	6536	-	4 082	1 702 588	1 738 770	(1 702 588)
46 812 102	28 883 725	17 928 378	Sewerage Purification Stellenbosch	6605	54 195 854	52 382 700	19 809 979	24 589 373	34 385 875
4 324 901	25 767 201	(21 442 300)	Sewerage Network	6606	6 401 157	57 359	15 443 193	16 242 375	(9 042 036)
25 968	2 360 553	(2 334 584)	Composting	6607	58 490	20 426	1 298 069	1 605 546	(1 239 579)
-	244 907	(244 907)	Sewerage Purification Klapmuts	6608	-	-	249 419	269 903	(249 419)
-	829 983	(829 983)	Sewerage Purification Franschoek	6609	-	-	1 121 243	1 302 878	(1 121 243)
-	886 608	(886 608)	Sewerage Purification Pniel	6610	-	-	855 078	1 013 336	(855 078)
-	516 158	(516 158)	Sewerage Purification Rural	6611	-	-	596 734	835 995	(596 734)
<b>431 771 717</b>	<b>454 982 515</b>	<b>(23 210 797)</b>	<b>ENGINEERING SERVICES</b>		<b>514 972 440</b>	<b>426 675 505</b>	<b>443 881 379</b>	<b>450 348 322</b>	<b>71 091 061</b>
-	3 063 099	(3 063 099)	Public Safety General	5111	-	-	3 749 804	4 362 523	(3 749 804)
44 650	15 554 639	(15 509 989)	Fire Services	5120	48 401	13 970	16 634 128	16 192 996	(16 585 727)
5 452 375	3 968 154	1 484 221	Traffic Services Licencing	5140	6 073 635	5 054 103	4 024 115	4 729 863	2 049 520
15 526 213	24 317 878	(8 791 665)	Traffic Control	5141	14 037 869	12 911 353	25 418 549	26 796 414	(11 380 681)
1 758 308	957 428	800 879	Parking Areas	5142	1 087 500	4 365 851	1 006 441	1 495 995	81 059

# Stellenbosch Municipality

Appendix D for the year ended 30 June 2011

## SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R	Description	Vote Number	2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R
-	330 954	(330 954)	Disaster Management	5705	-	-	984 175	153 621	(984 175)
-	2 094 414	(2 094 414)	Security	5710	1 228	-	4 011 334	5 414 605	(4 010 106)
-	1 628	(1 628)	Occupational Safety	5715	-	-	340 297	456 787	(340 297)
372 702	372 702	-	Community Safety Projects: Contract Law	9923	181 886	-	181 886	-	-
<b>23 154 247</b>	<b>50 660 896</b>	<b>(27 506 649)</b>	<b>PUBLIC SAFETY</b>		<b>21 430 519</b>	<b>22 345 277</b>	<b>56 350 730</b>	<b>59 602 804</b>	<b>(34 920 211)</b>
-	2 817	(2 817)	Client Services and Innovations	5739	-	-	534	12 840	(534)
-	5 130 408	(5 130 408)	Corporate Services General	7111	(844)	-	4 663 822	2 789 960	(4 664 666)
-	1 607 715	(1 607 715)	Human Resources Services	7180	-	-	3 533 019	4 161 191	(3 533 019)
-	622 227	(622 227)	Documentation and Land Management	7700	-	-	2 061 022	667 755	(2 061 022)
-	163 052	(163 052)	Liaison Services	7770	-	-	16 634	512 400	(16 634)
-	275 598	(275 598)	Printing Section	7790	-	-	231 420	24 446	(231 420)
665 690	4 579 968	(3 914 277)	Council General Expenses	7800	1 250 115	1 109 676	9 672 305	7 820 724	(8 422 190)
-	299 516	(299 516)	Council Deputy Mayor's office	7801	-	-	145 604	22 990	(145 604)
-	3 258 648	(3 258 648)	Council Donations	7802	10 969	-	3 949 969	4 852 060	(3 939 000)
-	24 077	(24 077)	Council Speaker's Office	7803	-	-	38 889	87 530	(38 889)
-	1 219 382	(1 219 382)	Council Mayor's Office	7804	-	-	1 115 116	1 167 309	(1 115 116)
-	320 834	(320 834)	IDP & Strategic Programs	8110	-	-	23 358	247 374	(23 358)
-	505 086	(505 086)	Strategic Services: General	8115	-	-	955 362	623 672	(955 362)
-	1 782 628	(1 782 628)	Communication Services	8117	-	-	673 014	235 760	(673 014)
-	1 948 080	(1 948 080)	Local Economic Development	8120	-	6 660	2 045 740	2 213 104	(2 045 740)
223 104	878 273	(655 169)	Kayamandi Economic Tourism Corridor	8125	69 995	-	845 277	1 052 709	(775 282)
3 543 572	3 606 068	(62 496)	Special Fund Leave Gratification	9902	-	2 247 200	-	2 247 200	-
761 453	761 453	-	Special Fund LWGSETA Training	9909	258 166	1 120 200	266 946	1 120 200	(8 780)
611 902	611 902	-	NLDTF Bergzight	9916	-	-	-	-	-
<b>5 805 721</b>	<b>27 597 731</b>	<b>(21 792 010)</b>	<b>CORPORATE SERVICES</b>		<b>1 588 400</b>	<b>4 483 736</b>	<b>30 238 030</b>	<b>29 859 224</b>	<b>(28 649 630)</b>
206 013 786	30 956 149	175 057 637	Financial Services General	9900	210 171 732	190 706 300	55 112 062	23 060 149	155 059 669
-	998 804	(998 804)	Information Technology	9910	-	-	2 734 534	3 418 237	(2 734 534)
10 015	23 388	(13 374)	Stores	9920	2 056	6 710	(665 768)	352 519	667 824
104 270	82 950	21 320	Supply Chain Management Unit	9921	162 090	134 741	60 172	67 550	101 918
8 617 667	8 617 667	-	Special Fund Masakhane	3782	16 495 661	36 784 006	9 995 462	36 784 006	6 500 198
-	632 288	(632 288)	Special Fund Self-Insurance	9905	-	-	243 161	1 410 080	(243 161)
385 977	385 977	-	Special Fund Municipal Systems Improvement	9906	679 656	706 008	679 656	706 008	-
918 710	918 710	-	Special Fund Financial Management Grant	9911	1 013 303	1 050 588	1 013 303	1 050 588	-
<b>216 050 425</b>	<b>42 615 933</b>	<b>173 434 492</b>	<b>FINANCIAL SERVICES</b>		<b>228 524 497</b>	<b>229 388 353</b>	<b>69 172 583</b>	<b>66 849 137</b>	<b>159 351 914</b>
<b>783 246 396</b>	<b>679 483 820</b>	<b>103 762 576</b>	<b>Total</b>		<b>810 404 777</b>	<b>722 207 368</b>	<b>730 442 155</b>	<b>747 506 905</b>	<b>79 962 622</b>

# Stellenbosch Municipality

Appendix E (1) for the year ended 30 June 2011

## ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2011

Description	2010/2011 Actual R	2010/2011 Budget R	2010/2011 Variance R	2010/2011 Variance %	Explanation of Significant Variances greater than 10% versus Budget
<b>REVENUE</b>					
Property Rates	183 291 413	169 414 900	13 876 513	8%	
Service Charges	454 860 873	403 590 305	51 270 568	13%	Increased customer base and implementation of block tariffs for water resulted in Service Charges being more than projected.
Property Rates - Penalties imposed and collection charges	2 372 716	2 195 058	177 658	8%	
Rental of Facilities and Equipment	11 595 026	11 209 085	385 941	3%	
Interest Earned - Outstanding debtors	4 071 819	4 466 774	(394 955)	-9%	Actual interest earned on Debtors is less than anticipated due to the stringent application of the Credit Control and Debt Collection Bylaw.
Income for Agency Services	1 128 131	516 278	611 853	119%	Budget was adjusted downwards during 2010/2011 in terms of historic trends.
Fines	14 061 397	14 035 620	25 777	0%	
Licences and Permits	4 462 400	3 974 983	487 417	12%	Budget was adjusted downwards during 2010/2011 in terms of historic trends.
Government Grants and Subsidies	96 788 177	61 821 058	34 967 119	57%	All capital grants and subsidies expensed was disclosed in the Statement of Financial Performance.
Other Income	17 302 686	33 443 869	(16 141 183)	-48%	Sundry income more than anticipated due to the recognition of unallocated deposits in terms of the Accounting Policy.
Interest Received - Investments	19 756 636	17 539 438	2 217 198	13%	Investment portfolio grew more than anticipated due to rigorous cashflow management, therefore interest received was also more than anticipated.
	-	-	-		
<b>Total Revenue</b>	<b>809 691 274</b>	<b>722 207 368</b>	<b>106 179 525</b>	<b>1694%</b>	
<b>EXPENDITURE</b>					
Employee Related Costs	(206 723 293)	(213 137 545)	(6 414 252)	3%	
Remuneration of Councillors	(9 681 174)	(7 195 221)	2 485 953	-35%	Budget for benefits included with the category Employee Related Costs.
Contributions to/(transfers from) Provisions	(38 661 161)	(25 467 868)	13 193 293	-52%	Contributions to provisions in accordance with accounting standards.
Depreciation and Amortisation	(90 603 459)	(109 493 480)	(18 890 021)	17%	Underspending as a result of the underspending on the capital budget.
Impairment Loss/ Reversal of Impairments	(7 970 285)	-	7 970 285	100%	Financial entries in accordance with accounting standards.
Finance Cost	(3 752 322)	(4 202 701)	(450 379)	11%	Underspending as a result of the underspending on the capital budget.
Debt Impairment	(11 316 077)	-	11 316 077	100%	Financial entries in accordance with accounting standards.
Collection Costs	(93 983)	(107 870)	(13 887)	13%	Underspending due to the switch over to a new service provider.
Repairs and Maintenance	(44 409 572)	(54 666 466)	(10 256 894)	19%	
Bulk Purchases	(173 670 985)	(164 480 517)	9 190 468	-6%	
Contracted Services	(8 148 412)	(8 786 576)	(638 164)	7%	
Grants and Subsidies Paid	(563 833)	(679 860)	(116 027)	17%	Grants in Aid: Sundry allocations are done in terms of the approved policy and there were only a few cases approved during the financial year.
General Expenses	(138 804 372)	(159 288 800)	(20 484 428)	13%	
<b>Total Expenditure</b>	<b>(734 398 928)</b>	<b>(747 506 904)</b>	<b>(22 931 819)</b>	<b>3%</b>	
Loss on disposal of assets and liabilities	(3 317)				
Profit / (loss) on fair value adjustment	4 795 074				
Inventories: (Write-down) / reversal of write-down to net realisable value	(121 481)				
<b>NET SURPLUS FOR THE YEAR ENDING 30 JUNE 2011</b>	<b>79 962 622</b>				

# Stellenbosch Municipality

Appendix E (2) for the year ended 30 June 2011

## APPENDIX E(2) STELLENBOSCH MUNICIPALITY

### ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2011

Description	2010/2011 Actual	2010/2011 Under Construction	2010/2011 Total Additions	2010/2011 Budget	2010/2011 Variance	2010/2011 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council	49 854	-	49 854	50 000	(146)	-	
Budget and Treasury Office	509 716	-	509 716	525 000	(15 284)	-3%	
Corporate Services	4 580 247	-	4 580 247	4 801 020	(220 773)	-5%	
Community & Social Services	753 396	-	753 396	802 627	(49 231)	-6%	Spending less than anticipated on various ward specific projects due to needs not being clearly identified and prioritised.
Sport & Recreation	6 010 131	-	6 010 131	6 472 617	(462 486)	-7%	Underspending on pj 09-0207 Paving at van der Stel Sportsgrounds due to weather conditions. Pj 09-0210 Upgrading Sportsgrounds was finalised with costs being less than anticipated. Spending less than anticipated on various ward specific projects due to needs not being clearly identified and prioritised.
Public Safety	863 447	-	863 447	931 467	(68 020)	-7%	Pj 07-0046 Satellite fire station at Klappmuts did not commence in 2010/2011 due to planning issues and compliance to legislation.
Housing	1 384 764	299 800	1 684 564	3 242 000	(1 557 436)	-48%	Underspending on pj 09-0215 Digteby, due to late approval of project by Provincial Housing Board.
Planning and Development	1 813 304	-	1 813 304	2 570 196	(756 892)	-29%	Underspending on Pj 09-0072 Upgrading of Services: Langrug due to some residents (15 families) not wanting to relocate, therefore the project could not be finalised.
Road Transport	26 702 413	7 595 478	34 297 892	38 069 365	(3 771 473)	-10%	Underspending on Pj 06-0101 Public Transport Projects due to a delay in the roll-out of the project.
Electricity	4 041 456	563 363	4 604 819	23 756 220	(19 151 401)	-81%	Underspending on this function is due to 2 projects: Pj 07-014466kV cable and Pj 09-0163 Suidwal Mainsub Switchgear replacement. Equipment will only be delivered in the new financial year.
Water	2 273 149	14 523 497	16 796 646	19 226 600	(2 429 954)	-13%	Underspending on Pj 09-0165 Reservoir, project was rolled over in new financial year.
Waste Water Management	11 270 044	15 058 538	26 328 582	28 562 004	(2 233 422)	-8%	Unspending due to delay in implementation of multi-year projects that will continue in the new financial year.
Waste management	14 402 452	-	14 402 452	15 679 996	(1 277 544)	-8%	Unspending due to delay in implementation of multi-year projects that will continue in the new financial year.
<b>Total</b>	<b>74 654 374</b>	<b>38 040 677</b>	<b>112 695 051</b>	<b>144 689 112</b>	<b>(31 994 061)</b>	<b>-22%</b>	

**DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Name of Grant	Name of Organ of State or Municipal Entity	Opening Balance	Quarterly Receipts				Quarterly Expenditure					Compliance to Revenue Act	Grants and Subsidies Delayed / Withheld
			Sept	Dec	March	June	Sept	Dec	March	June	Total		June
CONDITIONAL GRANTS & SUBSIDIES													
Municipal Infrastructure Grant	National Treasury	7 791 358	8 092 000	3 431 000			4 785 062	8 251 206	496 047	3 890 685	1 891 358	Yes	N/A
Financial Management Grant	National Treasury	50 588	1 000 000				124 012	346 627	236 145	306 520	37 284	Yes	N/A
Municipal Systems Improvement Grant	National Treasury	31 008	750 000					64 509	103 767	586 380	26 352	Yes	N/A
Equitable Share	National Treasury	2 512 006	14 279 808	11 423 847	8 568 000		21 180 483		4 523 172	11 080 006	-	Yes	N/A
Library Services	Dept Cultural Affairs and Sport	157 489	453 700	311 700	311 600		298 313	299 901	215 853	237 312	183 110	N/A	N/A
Integrated Transport Plan	Dept of Transport and Public Works	1 500 000				396 000		308 421	147 858	670 044	769 676	N/A	N/A
Maintenance of Proclaimed Roads	Dept of Transport and Public Works	1 210 000			1 522 405				1 403 689	53 413	1 275 303	N/A	N/A
Integrated Housing and Human Settlement Development Grant	Dept of Human Settlements	4 099 024	8 580 171	1 993 225	21 418 400	2 782 462	5 963 711	2 525 265	3 189 243	10 396 472	16 798 590	N/A	N/A
Community Development Worker (CDW) Operational Support Grant	Dept of Local Government	114 145		125 000			4 964	69 567	63 443	53 930	47 241	N/A	N/A
Cleanest Town Competition	Dept of Environmental Affairs and Development Planning	3 684			40 000						43 684	N/A	N/A
LGWSETA Skills Development	SETA	885 403	123 964		469 226		38 086	159 956	16 413	52 490	1 211 647	N/A	N/A
Magazine Subsidy	Dept Cultural Affairs and Sport	-	115	66	40	1 685	115	66	40	1 685	-	N/A	N/A
Reconstruction of Roads	Cape Winelands District Municipality	2 000 000			900 000					2 900 000	-	N/A	N/A
Total Grants and Subsidies Received		20 354 705	33 279 758	17 284 838	33 229 671	3 180 147	32 394 746	12 025 519	10 395 670	30 228 938	22 284 245		

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
<b>Certificate of Emergency Expenditure</b>						
02	07	2010	Chesmar Trading	19 000.00	Remove debris from stormwater structures at Kayamandi.	4.36.4 Certificate of Emergency
02	07	2010	Ernie & Toerien Trading & Main	2 682.00	Repair of mainline sewer manhole & cover - Dorp Street Stellenbosch.	4.36.4 Certificate of Emergency
05	07	2010	Leading Edge 70 CC	2 565.00	Emergency repair on leaking water line at the corner of Bergzicht and Alexander Street, Stellenbosch.	4.36.4 Certificate of Emergency
05	07	2010	RRR Civils CC	20 719.50	Emergency repairs to civil services. (Watermain, Fire Hydrants and house connection)	4.36.4 Certificate of Emergency
08	07	2010	Imba Plant Hire (Pty) Ltd	100 000.00	Hire of dozer - D6 : 20 days.	4.36.4 Certificate of Emergency
08	07	2010	GM Waste	28 000.00	Operation at landfill site 1 month.	4.36.4 Certificate of Emergency
14	07	2010	D & D Fabrications CC	3 396.06	Emergency repair on burst water feeding pipe behind Paul Roos School, Stellenbosch.	4.36.4 Certificate of Emergency
20	07	2010	Go2 Plant Hire CC t/a Checker	5 130.00	Hire of refuse compactor 14 July 2010.	4.36.4 Certificate of Emergency
20	07	2010	Surevac Logistics CC	20 500.00	Emergency cleaning of fifty five (55) sewage buckets in Jamestown (Kreefgat)	4.36.4 Certificate of Emergency
22	07	2010	W.Krohn	23 883.00	Emergency work on a stormwater channel at Raithby.	4.36.4 Certificate of Emergency
27	07	2010	RRR Civils CC	9 652.38	Emergency repairs to sidewalk at Endler Street, Stellenbosch.	4.36.4 Certificate of Emergency
22	07	2010	D P Truckhire	8 755.20	Hire of refuse compactor	4.36.4 Certificate of Emergency
27	07	2010	Williams Edgar John	10 260.00	Emergency water pipe repair at Dahlia Street.	4.36.4 Certificate of Emergency
27	07	2010	North Star Fisheries	202.50	Emergency Meals (21 July 2010)	4.36.4 Certificate of Emergency
27	07	2010	Go2 Plant Hire CC t/a Checker	10 260.00	Hiring of a refuse compactor (20 -21 July 2010)	4.36.4 Certificate of Emergency
27	07	2010	Leading Edge CC	2 502.30	Emergency repair on leaking water line at Bosman Street, Stellenbosch.	4.36.4 Certificate of Emergency
27	07	2010	Williams Edgar John	6 270.00	Emergency water pipe repair at Sirega Street, Dalsig.	4.36.4 Certificate of Emergency
28	07	2010	Loliwe CC	12 996.00	Hire refuse compactor 22-23 July 2010	4.36.4 Certificate of Emergency
29	07	2010	Chesmar Trading	19 000.00	Emergency extension of B/SM 251/09: Removal of debris from the five storm water run-off structures in the Kayamandi area.	4.36.4 Certificate of Emergency
30	07	2010	D P Truckhire	8 755.20	Hiring of refuse compactor (26-27 July 2010)	4.36.4 Certificate of Emergency
03	08	2010	Go2 Plant Hire CC T/A Checker	15 390.00	Hiring of refuse compactor (28-30 July 2010)	4.36.4 Certificate of Emergency
03	08	2010	Bazamile Trading CC	7 800.00	Various repairs on the water network and associated reinstatement of the following streets: Sering, Berg, Nootgedacht, Bird, Weidenhof and in Kayamandi.	4.36.4 Certificate of Emergency
03	08	2010	Gearbox Repair Centre CC	36 964.85	Strip & Quote: Gearbox + PTO-INPUT SHAFT,GEAR 3RD,TO 32-CL17481	4.36.4 Certificate of Emergency

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
05	08	2010	RRR Civils CC	11 080.80	Emergency repair on a water pipe at Rheezicht Street.	4.36.4 Certificate of Emergency
06	08	2010	W.P Hydraulics t/a Hydratech	99 642.87	Emergency repairs and overhaul of the hydraulic system and wiring of cat digger loader.	4.36.4 Certificate of Emergency
11	08	2010	Imba Plant Hire (Pty) Ltd	100 000.00	Hiring of dozer at Stellenbosch landfill site.	4.36.4 Certificate of Emergency
12	08	2010	Maxal Projects (Sa) (Pty) Ltd	5 107.20	Emergency supply & install pressure valve at Lanquedoc chlorine station.	4.36.4 Certificate of Emergency
12	08	2010	D P Truckhire	13 132.80	Hiring of refuse compactor (09 Aug.-11 Aug 2010)	4.36.4 Certificate of Emergency
12	08	2010	1001 Solutions	9 624.56	Emergency water pipe repair at Sering Street and Brandwacht Street, Stellenbosch.	4.36.4 Certificate of Emergency
12	08	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	7 410.00	Hiring of refuse compactor (6 Aug 2010)	4.36.4 Certificate of Emergency
12	08	2010	Meyer Edward (Meyer Contractor	3 980.00	Emergency water pipe repair at Jooste Street and Brooke Street, Kylemore.	4.36.4 Certificate of Emergency
17	08	2010	D P Truckhire	8 755.20	Hiring of refuse compactor (12 and 13 August 2010)	4.36.4 Certificate of Emergency
19	08	2010	Xtantis (Pty) Ltd	6 221.32	Hiring of a Generator at Geluksoord old age home.	4.36.4 Certificate of Emergency
19	08	2010	Consolidated Power Projects (Pty) Ltd	9 120.00	Detect and repair gas leak.	4.36.4 Certificate of Emergency
07	09	2010	Gearbox Repair Centre Cc	47 418.30	Strip, Quote & Repair Gearbox: CL 22460	4.36.4 Certificate of Emergency
15	09	2010	Trees Unlimited	5 130.00	Emergency tree pruning, between NRS 3 and %, Ryneveld Street, Stellenbosch.	4.36.4 Certificate of Emergency
16	09	2010	Go2 Plant Hire Cc T/A Checker	15 390.00	Hire Refuse Compactor (01/09/2010-03/09/2010)	4.36.4 Certificate of Emergency
20	09	2010	Pholo-Ka-Hola Trading & General	8 000.00	Operation & Maintenance Of 7 Communal Abl.Fac.@Langrug -August 2010	4.36.4 Certificate of Emergency
20	09	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	37 050.00	Hire of refuse compactor (30/08/2010-3/09/2010)	4.36.4 Certificate of Emergency
20	09	2010	RRR CIVILS CC	56 675.10	Emergency work on a 150mm water main in Piet Retief Street.	4.36.4 Certificate of Emergency
27	10	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	37 050.00	Hire of refuse compactor (30/08/2010-3/09/2010)	4.36.4 Certificate of Emergency
07	10	2010	Conchem - Saligna Cc	36 480.00	Spraying Of Firebreaks With Herbicide.	4.36.4 Certificate of Emergency
08	10	2010	Leading Edge 70 Cc	7 723.50	Emergency Burglar Proofing in Klein Vallei pumpstation.	4.36.4 Certificate of Emergency
12	10	2010	Bazamile Trading cc	35 000.00	Operation & maintenance of ablution facilities in Kayamandi Informal Settlement.	4.36.4 Certificate of Emergency
14	10	2010	Williams Edgar John	5 130.00	Burst pipes emergency work: 23/09/2010 - Flamingo Street	4.36.4 Certificate of Emergency
14	10	2010	Williams Edgar John	7 410.00	Burst pipes emergency work: 24/09/2010 - Marina Street.	4.36.4 Certificate of Emergency



# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
14	10	2010	Williams Edgar John	5 130.00	Burst pipes emergency work: 25/09/2010 - Jean Street.	4.36.4 Certificate of Emergency
19	10	2010	Go2 Plant Hire CC t/a Checker	5 130.00	Hire of a refuse compactor (11/10/2010).	4.36.4 Certificate of Emergency
27	10	2010	Leading Edge 70 CC	19 900.00	Repairs to De Boord pumpstation.	4.36.4 Certificate of Emergency
29	10	2010	Grace Construction	8 045.00	Electrical connection to Pniel Graveyard.	4.36.4 Certificate of Emergency
05	11	2010	Wasteman Western Cape A Division Of Wasteman Holdings (Pty) Ltd	7 752.00	Hire refuse compactor (29-10-2010).	4.36.4 Certificate of Emergency
05	11	2010	Go2 Plant Hire CC t/a Checker	5 130.00	Hire refuse compactor - (01-11-2010).	4.36.4 Certificate of Emergency
25	11	2010	D P Truckhire	29 640.00	Hiring of refuse compactor from trenchless road crossing.	4.36.4 Certificate of Emergency
22	11	2010	World Focus 1933 CC t/a Bantam Plumbig	21 960.00	Repair of burst water pipe at Bergzicht Taxi Rank.	4.36.4 Certificate of Emergency
06	12	2010	CBI Electric: African Cables	13 789.82	66KV oil filled cable.	4.36.4 Certificate of Emergency
08	12	2010	ATC Air Conditioning	1 012.32	Emergency repair of aircon server room.	4.36.4 Certificate of Emergency
14	12	2010	Absolute Ablutions	34 821.30	Repair work on vandalized Kayloo at Langrug Informal settlement in Franschoek.	4.36.4 Certificate of Emergency
14	12	2010	Stellenbosch Premier Manufacturer (Pty) Ltd t/a Naco	53 516.03	Installation of security steel mesh at Papagaaiberg and Klein Vallei pump stations, Stellenbosch.	4.36.4 Certificate of Emergency
17	12	2010	K. Groenewald	21 318.00	Repair of fence at Kayamandi Corridor.	4.36.4 Certificate of Emergency
07	01	2011	CBI Electric: African Cables	34 171.11	Pump up & freeze 66kV cable main/Markotter.	4.36.4 Certificate of Emergency
10	01	2011	Barlows Equipment Co	5 050.64	Attend to faulty engine (CL 50544)	4.36.4 Certificate of Emergency
10	01	2011	Hydrenco cc	32 562.21	Strip & quote - Repair on refuse compactor - CL 22542	4.36.4 Certificate of Emergency
10	01	2011	W.P Hydraulics t/a Hydratech	35 818.80	Repairs on refuse compactor -CL 37160	4.36.4 Certificate of Emergency
10	01	2011	Hydrenco cc	32 186.50	Strip & quote - Repair on refuse compactor - CL 54 363	4.36.4 Certificate of Emergency
18	01	2011	Protocor Twenty Two cc	36 647.81	Supply and install cabling for the electrical motors at entrance gates to Stellenbosch Wastewater Treatment Works (SB WWTW)	4.36.4 Certificate of Emergency
21	01	2011	Country Building Supplies	35 540.23	Fire kits for 36 structures, informal housing fire,Nkanini, Kayamandi.	4.36.4 Certificate of Emergency
21	01	2011	Reticulation & General Supplies.	10 259.37	Urgent supply L20Y 600A triple pole breaker.	4.36.4 Certificate of Emergency
28	01	2011	Inenzo Water (PTY) LTD	22 087.50	Repair and install mechanical screen at Franschoek WWTW.	4.36.4 Certificate of Emergency
01	02	2011	RRR Civils CC	28 039.44	Burst pipe and paving repair work in Nootgedaght 13 and 19 Stellenbosch.	4.36.4 Certificate of Emergency

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
02	02	2011	<b>Loxton Irrigation</b>	6 077.10	Purchase of equipment (HDPE-Pipe) for pumping of borehole water to the Franschoek water treatmentworks (Filter - FH WWTW) and reservoir.	4.36.4 Certificate of Emergency
08	02	2011	<b>Kevbelt SA cc</b>	7 909.32	Supply and install bid feeder belt at Stellenbosch WWTW composting plant.	4.36.4 Certificate of Emergency
08	02	2011	<b>Leading Edge 70 cc</b>	8 094.00	Manufacture and install solid screens for Franschhoek WWTW.	4.36.4 Certificate of Emergency
10	02	2011	<b>D P Truckhire</b>	19 585.20	Door to Door collections in Franschhoek.	4.36.4 Certificate of Emergency
10	02	2011	<b>Loliwe CC</b>	15 868.80	Hire of compactor 20/01/2011- 21/01/2011	4.36.4 Certificate of Emergency
14	03	2011	<b>LDK Industrial CC</b>	7 968.60	Supply and Install new 24V battery charger.	4.36.4 Certificate of Emergency
16	03	2011	<b>CEM Construction</b>	8 137.00	Cleaning of sand filters at Idas Valley water treatment works.	4.36.4 Certificate of Emergency
24	03	2011	<b>Alfonso Stephen Leendertz</b>	8 400.00	Repairs of burst water pipe	4.36.4 Certificate of Emergency
29	03	2011	<b>FP Verwers</b>	2 900.00	Emergency removal and reinstatement of concrete wall and securing the carport at Cloeteville, Stellenbosch.	4.36.4 Certificate of Emergency
31	03	2011	<b>I Gideons</b>	15 000.00	Transport containerised waste from Klampmuts and Franschhoek 22-28/03/2011	4.36.4 Certificate of Emergency
31	03	2011	<b>CVR Welding</b>	12 768.00	Manufacture and install steel bridge railings: Adam Tas Bridge	4.36.4 Certificate of Emergency
31	03	2011	<b>Tricom Africa</b>	95 777.20	Repairs to waste water pumpstation	4.36.4 Certificate of Emergency
31	03	2011	<b>Tricom Africa</b>	21 759.52	Emergency repairs to Klampmuts sewage pump station.	4.36.4 Certificate of Emergency
01	04	2011	<b>G &amp; A Labour Services</b>	20 777.77	Door to door Franschoek area 28/03/2011 - 01/04/2011	4.36.4 Certificate of Emergency
04	04	2011	<b>Ian Dickie</b>	11 822.94	Repairs to diesel driven mobile pumps at Stellenbosch WWTW.	4.36.4 Certificate of Emergency
06	04	2011	<b>Ian Dickie</b>	27 360.00	Hire of mobile electrical pump for Ras pump station at Stellenbosch WWTW.	4.36.4 Certificate of Emergency
07	04	2011	<b>I Gideons</b>	16 950.00	Transport containerised waste from Klampmuts and Franschhoek 29/03/2011 to 4/4/2011.	4.36.4 Certificate of Emergency
14	04	2011	<b>Willscreens</b>	895.00	Water pollution in Patryfontein	4.36.4 Certificate of Emergency
19	04	2011	<b>Xtantis (PTY)LTD</b>	49 878.92	Emergency hire of generator from 14 January 2011 to 22 March 2011	4.36.4 Certificate of Emergency
20	04	2011	<b>I Gideons</b>	17 050.00	Transport of containers from Klampmuts and Franschhoek 12-18 April 2011.	4.36.4 Certificate of Emergency
23	05	2011	<b>AR Wrecker Services CC t/a AR Truck Tow</b>	2 844.30	Emergency Towing of water tanker - CL 65256	4.36.4 Certificate of Emergency
26	05	2011	<b>Hidro-Tech Systems (PTY) LTD</b>	41 815.20	Strip and quote - KSB pump type WKL 65-4 Kayamandi.	4.36.4 Certificate of Emergency
26	05	2011	<b>Hidro-Tech Systems (PTY) LTD</b>	45 132.60	Strip and quote - KSB 150/3 - La Motte pump station.	4.36.4 Certificate of Emergency

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
26	05	2011	Xtantis (PTY)LTD	21 293.40	Emergency to hire a generator from 1 April 2011 - 19 May 2011	4.36.4 Certificate of Emergency
30	05	2011	Gordian Fence SA (PTY) LTD	27 632.46	Repairs to perimeter fence at Stellenbosch WWTW.	4.36.4 Certificate of Emergency
30	05	2011	Inter-Waste (PTY) LTD	16 855.58	Removal of waste bins of sewerage sludge from Stellenbosch and Pniel WWTW.	4.36.4 Certificate of Emergency
01	06	2011	Aborcare	29 070.00	Felling of gum trees (9) and pruning of gum trees (4).	4.36.4 Certificate of Emergency
02	06	2011	Wenn John David	5 800.00	Repairs to water line at Stellenbosch administration building.	4.36.4 Certificate of Emergency
09	06	2011	I Gideons	34 700.00	Removal of containerised waste from Klampmuts and Franschhoek.	4.36.4 Certificate of Emergency
09	06	2011	D P Truckhire	38 030.40	Collection of Municipal Waste From Franschhoek area	4.36.4 Certificate of Emergency
26	05	2011	Sandown Motors T/A Paarl Motor	22 924.80	Repairs to water pump shaft (Fire)	4.36.4 Certificate of Emergency
14	06	2011	CBI Electric: African Cables	216 525.69	Locating and repairing of oil leaks on 66Kv feeder substation Main and substation Markotter.	4.36.4 Certificate of Emergency
17	06	2011	A & M Power Steering	10 607.70	Repairs to power steering	4.36.4 Certificate of Emergency
20	06	2011	Associated Automotive Distribution Pty Ltd	3 712.46	Repairs to vehicle - water pump - CL37160.	4.36.4 Certificate of Emergency
20	06	2011	W.P Hydraulics T/A Hydratech	9 378.50	Service and repairs to vehicle - CL63523.	4.36.4 Certificate of Emergency
20	06	2011	RRR CIVILS CC	15 135.78	Water pipe repair work in pelikan str and Mazot Str, Stellenbosch.	4.36.4 Certificate of Emergency
23	06	2011	Gordian Fence Sa (Pty) Ltd	2 757.66	Repairs To Perimeter Fence At Lanquedoc Sewerage Pump Station	4.36.4 Certificate of Emergency
23	06	2011	A & F General Trading cc	4 000.00	Repairs To Roof & Ceilings At Paradyskloof WWTW	4.36.4 Certificate of Emergency
29	06	2011	Go2 Plant Hire Cc T/A Checker	16 929.00	Hire refuse compactor.	4.36.4 Certificate of Emergency
30	06	2011	Camel Rock Trading 539cc	21 600.00	Security service needed from Camel Rock Security.	4.36.4 Certificate of Emergency
<b>Deviations</b>						
05	07	2010	Fairbridges Attorneys	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
09	07	2010	Martinette Smit	28 160.00	Deviation to Audit the organogram of Stellenbosch Municipality.	4.36(1)(a)(i)- In an emergency.
27	07	2010	Henri Badenhorst Eiendoms waardeerder & Associates	103 768.50	Appointment of Henri Badenhorst Eiendoms waardeerder & Associates, for the valuation of 993 erven.	4.36(1)(a)(i)- In an emergency.
28	07	2010	IMQS	54 720.00	Maintenance of the IMQS Software.	4.36 (1)(a)(ii) Service available from a single provider only

## Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
28	07	2010	<b>Bazamile Trading CC</b>	35 000.00	Clean 28 public facilities in Kayamandi for period of two months starting from 01 July to 31 August 2010.	4.36(1)(a)(i)- In an emergency.
28	07	2010	<b>Phola-Ka-Hola CC</b>	18 000.00	Clean 7 ablution facilities and 18 single toilets in Langrug and Mooiwater for period of two months starting from 01 July 2010 to 31 August 2010.	4.36(1)(a)(i)- In an emergency.

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
28	07	2010	Q & P	16 045.00	Extension of security services at Beltana Working area.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				5 500.00	Extension of security services at traffic service.	
				11 000.00	Extension of security services at Cloetesville complex.	
				5 500.00	Extension of security services at Cloetesville swimming pool.	
				11 000.00	Extension of security services at Paradyskloof purification	
28	07	2010	Future Security	22 000.00	Extension of securtiy services at Idas Valley Dam.	
				5 502.00	Extension of security services at Pniel Sewerage.	
				22 000.00	Extension of security services at Stellenbosch Sewerage.	
	07	2010	Franschhoek Estate	3 800.00	Extension of security services at Groendal Hall.	
				3 705.00	Extension of security services at Franschhoek Administration complex.	
28	07	2010	Roman Protection Service	15 746.76	Extension of security services at Jamestown sports ground.	4.36(1)(v) - Impractical or impossible to follow the official procurement processes.
				5 248.92	Extension of security services at Raithby sports ground.	
				5 248.92	Extension of security services at Kylemore sports ground.	
				12 904.00	Extension of security services at Klapmuts loading station.	
28	07	2010	African Trading	5 462.00	Extension of security services at Groendal sports ground.	
				5 750.00	Extension of security services at Klapmuts sports ground.	
				7 043.84	Extension of security services at Wemmershoek Sewerage.	
28	07	2010	PAG	16 275.00	Extension of security services at Cloetesville sports ground.	
				16 275.00	Extension of security services at Idas Valley sports ground.	
10	08	2010	ABB	9 000 000.00	Suidwal Substation: purchase of a medium voltage switch gear.	4.36(1)(a)(i)- In an emergency. and 4.32 Procurement of goods and services on contracts secured by other organs of state.
10	08	2010	Lite-Line Electrical	271 245.00	Appointment of Lite-Line Electrical for the installation of electricity at the Mandela City Informal Settlement.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
12	08	2010	Supreme Upholstery	9 118.70	Refurbishment of the Municipal Manager's office.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes;
			Meyer & Ferreira Furniture CC	11 200.00		
			Persian Rugs Gallery	19 950.00		
17	08	2010	Avis Fleet Rental	31 943.46	Resubmittal of extending monthly lease agreement: rental of vehicles.	4.36(1)(a)(i)- In an emergency.
30	08	2010	Eskom	166 071.98	Revised quotation: "Mandela City" Klapmuts	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
30	08	2010	<b>Organisation Development Africa (ODA)</b>	29 950.99	Appointment of facilitator at strategic session 19-20 August 2010.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	09	2010	<b>Avis Fleet Rental</b>	31 943.46	Resubmittal of extending monthly lease agreement: rental of vehicles.	4.36(1)(a)(i)- In an emergency.
03	09	2010	<b>Ricoh</b>	3 483.00	Photo copier rental for supply chain management offices.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09	09	2010	<b>Landis and Gyr (Pty) Ltd</b>	57 960.00	Purchasing of bases and meters: "Mandela City".	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	09	2010	<b>Meyer and Ferreira Furniture cc</b>	4 880.00	Refurbishment of the municipal manager's office.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
20	09	2010	<b>Altech Alcom</b>	181 188.59	Purchasing of two way radios (Tetra trunking radios).	4.36.1(a)(ii) service available from single provider and 4.32 procurement of goods and services under contracts secured by other organs of state.
23	09	2010	<b>Kantor Legal Services cc</b>	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
27	09	2010	<b>RJM Civils</b>	448 373.98	Farm 1073, Langrug, Franschhoek.	4.36.1(a)(i) in an emergency.
			<b>Kwezi V3</b>	44 837.39		
28	09	2010	<b>University of Stellenbosch</b>	7 410.00	Appointment of University of Stellenbosch Business Unit the Institute of Thermodynamics and Mechanics.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
30	09	2010	<b>ABB</b>	212 158.40	Installation of medium voltage switchgear.	4.36.1(a)(ii) service available from single provider.
01	10	2010	<b>Cliffe Dekker Hofmeyr Inc.</b>	Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
11	10	2010	<b>Exeo Khokhela</b>	203 279.10	Replacement of sewer line in Smuts Street, Stellenbosch.	4.36(1)(a)(i)- In an emergency.
11	10	2010	<b>H Linde</b>	1 300.00	Payment made to Associated Management Services for Training in Customer Care.	4.36(1)(b)- Ratify any minor breaches.
13	10	2010	<b>Cliffe Dekker Hofmeyr Inc</b>	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
14	10	2010	<b>Margot Ladouce Environmental Consulting</b>	17 690.00	To facilitate the public participation process of the Integrated Waste Management Plan for Stellenbosch Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
20	10	2010	<b>Avalon Systems</b>	230 400.00	Appointment of Avalon Systems to maintain the wired and wireless network.	4.36.1(a)(ii) service available from single provider.
20	10	2010	<b>AAD Truck and Bus</b>	40 405.25	Repair of Nissan CW290 CL13082 vacuum tanker.	4.36.1(a)(vi) repairs to motor vehicles, machinery and equipment that need to be stripped to quote.
20	10	2010	<b>Isuzu Truck Centre</b>	29 460.78	Repair of Isuzu, F-series CL 17481 vacuum tanker.	4.36.1(a)(vi) repairs to motor vehicles, machinery and equipment that need to be stripped to quote.

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
25	10	2010	Kirfane Investment (Pty) Ltd	8 475.90	Leasing of additional office space at Ecclesia Building.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
25	10	2010	Cluver Markotter	*Final amount determined after completion	Appointment of external legal services to attend to the compilation and implementation of a settlement agreement.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
27	10	2010	ABC Services	120 000.00	Appointment of ABC Services to assist Stellenbosch Municipality in the valuation processes.	4.36.1(a)(ii) service available from single provider.
29	10	2010	Tosaco Commercial (Pty) Ltd	*Final amount determined after completion	Approval of Tosaco Commercial (Pty) Ltd for the supply and delivery of petrol and diesel for the 2010/2011 financial year.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
01	11	2010	Aurecon South Africa Pty Ltd	395 561.00	Appointment of Aurecon as consulting civil engineer on the outstanding civil works on all 9 stadiums.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09	11	2010	Webber Wentzel	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
10	11	2010	Friedlaender, Burger & Volkmann	19 966.76	Appointment of Friedlaender, Burger & Volkmann to attend to the consolidation and application for a sub-division for erf 383 and 411, Pniel.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
17	11	2010	Consolidated African Technology (Pty) Ltd	436 984.00	Upgrading of CAT meter reading system.	4.36.1(a)(ii) service available from single provider.
23	11	2010	Actom	76 380.00	Appointment of a specialist to perform tests and install the new switching contacts on the relevant switchgear.	4.36.1(a)(ii) service available from single provider.
24	11	2010	Eskom	45 144.00	Purchasing of transformer oil from Eskom for the maintenance of a large number of transformers on an ongoing basis.	4.36(1)(a)(i)- In an emergency.
01	12	2010	Redhills Electronics	231 724.40	Redhills Electronics for the supply, delivery and installation of cameras a Ward 18 (M12) and supply, delivery and installation of UPS in the equipment room at Law Enforcement.	4.36.1(a)(ii) service available from single provider.
			Broadband Solutions Techno	188 346.24	Broadband Solutions Technology to re-programme, move, re-install and re-direct of the network equipment and install the network at Ward 18 (M12).	
01	12	2010	Cliffe Dekker Hofmeyr Inc	*Final amount dependent on court proceedings Legal fees managed by legal department.	Appointment of External Legal Services to advise and assist the Municipal Manager in the arbitration proceedings Paradyskloof	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
01	12	2010	Jonathan Bradshaw	2 320.00	Valuation of the Africana selection library books.	4.36 (1)(a)(iii) - special works of art.
02	12	2010	Datacentrix	2 852.85	Disaster recovery backup service on the network.	4.36(1)(a)(i)- In an emergency.
02	12	2010	Schindler Lifts (Pty) Ltd	28 184.22	Appointment of Schindler lifts (Pty) Ltd for structural maintenance work at the Lavanda and Phyllaria flats.	4.36.1(a)(ii) service available from single provider.

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
03	12	2010	ODS Consultants	140 000.00	Appointment of an organizational specialist for the recruitment and selection of technical staff.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	12	2010	Fairbridges Attorneys	*Final amount determined after completion	Appointment of External Legal Services.	4.36(1)(a)(i)- In an emergency.
07	12	2010	De Volkskombuis Pty Ltd	93 700.00	Appointment of events coordinator for the Mayoral reception NACCW on 7 December 2010	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
08	12	2010	SKCMasakhizwe Engineers	285 000.00	Extension of Cemeteries Infrastructure.	4.36.1(a)(ii) service available from single provider.
08	12	2010	CONCO - Consolidated Power Projects (Pty) Ltd	622 218.45	Supply, installation and commissioning of additional 66Kv feeder panels. (Markotter 66Kv substation)	4.36.1(a)(ii) service available from single provider.
10	12	2010	Arcus Gibb	142 500.00	Appointment of a specialist professional to compile a storm water master plan for Mooiwater, Franschhoek.	4.36(1)(a)(i)- In an emergency.
13	12	2010	KweziV3	220 451.21	Appointment of specialist professionals for the completion of the outstanding studies required in terms of the three directives issued by the Department of Environmental Affairs and Development Planning and the permanent upgrade of the Langrug informal settlement	4.36(1)(a)(i)- In an emergency.
			RJM Civils	1 468 384.98		
			Roger Parsons	497 411.64		
13	12	2010	Exeo Khokela Civil Engineering Construction (Pty) Ltd	263 574.84	Replacement of 225mm water rising main and associated reinstatements on R44, Cloetessville.	4.36(1)(a)(i)- In an emergency.
23	12	2010	Employer's Workplace Law cc & Advocate Linda Potgieter	*Final amount determined after completion	External services: Employer's Workplace Law CC & Advocate Linda Potgieter for disciplinary proceedings.	4.36(1)(a)(i)- In an emergency.
06	01	2011	Thysonic Systems	12 348.64	The appointment of Thysonic systems to install biometric readers and the CCTV camera at the Plein Street offices.	4.36(1)(a)(i)- In an emergency.
10	01	2011	Elzabé Esterhuyse	*Final amount determined after completion	Appointment of Elzabé Esterhuyse as investigator to investigate alleged misconduct of two Councillors and/or initiate disciplinary steps.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
10	01	2011	Webber Wentzel	*Final amount determined after completion	Appointment of legal service to advise and assist the Municipal Manager with regard to the payment of performance bonuses to managers directly accountable to the Municipal Manager.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	01	2011	Sea Kay Engineering Services Western Cape (Pty) Ltd	405 026.95	Watergang: Housing project. Construct and complete the sewer line connection and install electrical house connections for the remaining 130 units.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	01	2011	Livewire Engineering & Consulting	119 665.80	The appointment of Livewire Engineering and Consulting to analyze the electricity department's tariffs and formulate the new 2011 tariff regime.	4.36.1(a)(ii) service available from single provider.
19	01	2011	De Villiers and Moore Consulting Engineers	57 000.00	Appointment of De Villiers and Moore Consulting Engineers: revise and update electricity bulk levy contributions.	4.36.1(a)(ii) service available from single provider.



# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
19	01	2011	<b>The Fransche Hoek Estate Boerdery Company</b>	*Final amount will be determined after completion	Purchasing of water from the Fransche Hoek Estate Boerdery Company to the FWTW.	4.36(1)(a)(i)- In an emergency.
24	01	2011	<b>Cape Concrete Works (Pty) Ltd</b>	499 854.32	Purchasing of pre-cast buildings from a single supplier.	4.36.1(a)(ii) service available from single provider.
24	01	2011	<b>Sham D Halaal Catering</b>	7 800.00	Catering for council meeting - 27 January 2011.	4.36(1)(a)(i)- In an emergency.
28	01	2011	<b>Elzabé Esterhuysen</b>	*Final amount will be determined after completion	Appointment of Elzabé Esterhuysen as investigator to investigate alleged misconduct of two Councillors and/or initiate disciplinary steps.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
28	01	2011	<b>McKeith Sound and Entertainment</b>	1 800.00	Ratification of payment for services rendered by McKeith Sound and Entertainment.	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	<b>Isuzu Truck Centre</b>	56 842.85	Repair of Isuzu, F-series, CL39408 vacuum tanker.	4.36(1)(a)(vi)- Repairs to vehicle that need to be stripped to quote.
01	02	2011	<b>KV3 Engineers</b>	27 914.42	Ratification of payment for professional services rendered by KV3 Engineers.	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	<b>Masibambane Marimba Band</b>	2 000.00	Ratification of payment for services rendered by Masibambane Marimba Band at the 62nd Convention of the AMEU (Association of Municipal Electricity Undertakings).	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	<b>Hilton Andries</b>	2 000.00	Ratification of payment for services rendered by Hilton Andries at the 62nd Convention of the AMEU (Association of Municipal Electricity Undertakings).	4.36(1)(b)- Ratify any minor breaches.
01	02	2011	<b>ODS Consultant</b>	4 940.00	Ratification of payment for professional services rendered by ODS Consultant.	4.36(1)(b)- Ratify any minor breaches.
02	02	2011	<b>Nolands Forensics (Pty) Ltd</b>	*Final amount determined after completion	Appointment of Nolands Forensics (Pty) Ltd.	4.36(1)(a)(i)- In an emergency.
09	02	2011	<b>Ambutek cc</b>	60 000.00	Ratification of payment for fire services training.	4.36(1)(b)- Ratify any minor breaches.
16	02	2011	<b>Adenco Construction</b>	62 141.40	Appointment of specialist cable jointers for the installation & commissioning of new 11Kv feeder panels at Kromrivier, Dalsig Oos and Blakes Estate substations.	4.36.1(a)(ii) service available from single provider.
16	02	2011	<b>Fairbridges</b>	*Final amount determined after completion	Appointment of External Legal Services to advise and apply for an eviction order on Municipal property at Jamestown.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
22	02	2011	<b>Fairbridges</b>	*Final amount determined after completion	Appointment of External Legal Services to determine and advise the Municipality whether sufficient grounds exist to institute appropriate legal action in terms of the preliminary report of the SIU.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
24	02	2011	<b>At Planning Town and Regional Planning Services cc</b>	40 000.00	Appointment of At Planning Town and Regional Planning Services cc to monitor the updating of this GIS data done by Urban Dynamics for the Stellenbosch Integrated Zoning Scheme.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
25	02	2011	University of Stellenbosch	277 500.00	Appointment of the University of Stellenbosch to facilitate the minimum competency levels programme.	4.32 (1) Contract secured by another organ of state.
03	03	2011	Van Heerden Van Der Walt Attorneys	*Final amount determined after completion	Appointment of external legal services to apply for certified copies of lost certificates of registered/consolidated title and title deeds in terms of Regulation 68(1) of the Registration of Deeds Act, 47 of 1937.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
03	03	2011	Malan Laàs and Rall Attorneys	*Final amount determined after completion	Appointment of external legal services to attend to the transfer of 65 erven in Weltevrede Klapmuts.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
04	03	2011	Webber Wentzel	*Final amount determined after completion	Appointment of external legal services to advice and/or defend any applications/ summons issued by the Cape Joint pension fund.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
07	03	2011	Tony Barbour	55 062.00	Appointment of an environmental consultant and researcher, for a social impact assessment (SIA) for Stellenbosch landfill site.	4.36(1)(a)(i)- In an emergency.
07	03	2011	Laser Shot SA cc	184 000.00	Appointment of Laser Shot SA cc for the delivery and installation of the law enforcement pro system.	4.36.1(a)(ii) service available from single provider.
07	03	2011	University of Stellenbosch	*Final amount determined after completion	Appointment of University of Stellenbosch Business Unit the Institute of Thermodynamics and Mechanics.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09	03	2011	Inside Outdoor Construction cc	228 000.00	Appointment of inside outdoor construction for the supply and installation of public transport shelters.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
09	03	2011	Visser Kapperer de Bruin Architects	300 000.00	Appointment of Visser Kapperer de Bruin Architects as consultant to do the preliminary and final design/planning of the new office accommodation.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
10	03	2011	Webber Wentzel	*Final amount determined after completion	Appointment of external legal services to advice and/or defend any applications/ summons issued by ATC (Pty) Ltd and/or any ancillary relief with regard to this matter.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
11	03	2011	Meyer and Ferreira Furniture cc	23 060.00	Additional furniture for the council chamber.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
23	03	2011	Ian Dickie (Pty) Ltd	54 720.00	Hire of a mobile electrical pump for RAS pump station at Stellenbosch Wastewater Treatment Works.	4.36(1)(a)(i)- In an emergency.
25	03	2011	Purple Moss 1311 cc t/a E-Toi-Loo Toilet Rentals	31 701.12	Additional provision, service and maintenance of chemical toilets at Jamestown and Devon Valley WWTW, Stellenbosch.	4.36(1)(a)(i)- In an emergency.
25	03	2011	De Villiers & Moore Consulting Engineers	34 200.00	Additional work and Cost for the appointment of De Villiers and Moore Consulting Engineers: revise and update electricity bulk levy contributions.	4.36.1(a)(ii) service available from single provider.

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
29	03	2011	<b>ABB South Africa (Pty) Ltd</b>	321 444.66	Appointment of ABB South Africa (Pty) Ltd for the supply of two 66kV circuit breakers.	4.36.1(a)(ii) service available from single provider.
30	03	2011	<b>Lite-Line Electrical</b>	79 033.68	Appointment of Lite-Line Electrical for the installation of electricity at the Mandela City Informal Settlement.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
30	03	2011	<b>Sampsongs</b>	22 800.00	Stellenbosch Municipality is hosting an event from 4-8 April 2011 for the youth development in Stellenbosch.	4.36(1)(a)(i)- In an emergency.
30	03	2011	<b>D Van Kerwel Taxis</b>	8 750.00		
06	04	2011	<b>Element Consulting</b>	877 052.02	Appointment of Element Consulting Engineers for the remainder of substation refurbishment.	4.36.1(a)(ii) service available from single provider.
07	04	2011	<b>CONCO - Consolidated Power Projects (Pty) Ltd</b>	297 875.07	Emergency purchase of circuit breakers for substation Curry and substation Paradyskloof.	4.36(1)(a)(i)- In an emergency.
06	04	2011	<b>Webber Wentzel</b>	*Final amount determined after completion	Appointment of external legal services for leave to appeal against the judgement delivered on 15 March 2011 in the matter between Cinmark (Pty) Ltd/The Registrar of Deeds and others.	4.36(1)(a)(i)- In an emergency and 4.36 (1)(b) - Ratify breaches.
11	04	2011	<b>Schindler Lifts (Pty) Ltd</b>	36 424.23	Appointment of Schindler Lifts (Pty) Ltd for structural maintenance work at the Lavanda flats: Lift CTE 72.	4.36.1(a)(ii) service available from single provider.
13	04	2011	<b>PWC - PriceWaterHouseCoopers</b>	1 668 450.00	Appointment of Internal Audit service provider in capacitating in the internal Audit function of the Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
13	04	2011	<b>PDFH Construction</b>	841 350.00	Emergency structural repairs to the existing roofs at the 79 units at Steps/Orlean Lounge, Cloeteville, Stellenbosch.	4.36(1)(a)(i)- In an emergency.
13	04	2011	<b>SBI Properties</b>	24 174.80	Appointment of SBI as the structural engineers for the monitoring of the rectification work.	
19	04	2011	<b>Webber Wenzel</b>	*Final amount determined after completion	Appointment of external legal services to advice and defend the summons issued and served by Seven Rivers Farms (Proprietary) Limited and Others against the Municipality.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
20	04	2011	<b>Mr. D. Louw</b>	51 000.00	Appointment of Mr. D Louw for the provision of professional services for a period of three months; as responsible person for council in terms of the Occupational Health and Safety Act, 1993.	4.36.1(a)(ii) service available from single provider.
20	04	2011	<b>Polymer Pavements</b>	186 105.00	Appointment of Polymer Pavements for the procurement of a polymer stabilizer, soiltech to stabilize the base and the surface layers of gravel road in order to curb maintenance costs.	4.36.1(a)(ii) service available from single provider.
20	04	2011	<b>HMS Amanzi</b>	205 506.00	Supply and fit two robot submersible pumps plus duckfoots and other accessories and repair sump floor for the RAS pump station at Stellenbosch Wastewater Treatment Works (SWWTW).	4.36.1(a)(ii) service available from single provider.

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
21	04	2011	Faithful Computers cc	5 400.00	Purchasing of headphones for council chamber.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
04	05	2011	Red hills Electronics	28 887.60	Supply, delivery and installation of CCTV camera at tender box, main voyer.	4.36.1(a)(ii) service available from single provider.
04	05	2011	Geosense	199 999.00	Appointment of Geosense to provide aerial photography to the Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	05	2011	GLS Consulting (Pty) Ltd	614 460.00	Appointment of GLS Consulting Pty Ltd for the master planning of water and sewer distribution networks in Stellenbosch.	4.36.1(a)(ii) service available from single provider.
06	05	2011	Syntell	120 000.00	Extension of the appointment of service provider Syntell for the serving of summonses.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	05	2011	BKS Pty Ltd	219 648.93	Approval of additional professional fees over and above 2008 tender amount, to undertake the Environmental Impact Assessment for the extension of the Wemmershoek WWTW.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	05	2011	Jan Palm Consulting Engineers cc (JPCE)	1 231 261.00	Appointment of Jan Palm Consulting Engineers cc for the continuation and implementation of greater Stellenbosch integrated waste management projects.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
10	05	2011	Vela VKE Consulting Engineers Pty Ltd	142 500.00	Appointment of Vela VKE Consulting Engineers Pty Ltd to perform the additional work for the operating license process.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
11	05	2011	JC Solutions	25 601.41	Extension of renovation and upgrading of toilets at Stellenbosch town hall.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
11	05	2011	Exeo Khokhela Civil Engineering	125 058.22	Replacement of sewer line in Smuts Street, Stellenbosch.	4.36(1)(a)(i)- In an emergency
20	05	2011	Glamour	5 000.00	Goods and services for the wellness programme.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
			Breerivier Groothandelaars	26 134.61		
			Agathos Consultancy	173 280.00		
			Mfana Design	1 900.00		
			Dr Gail Blake	154 402.00		
20	05	2011	Fairbridges	*Final amount determined after completion	Appointment of external legal services to provide legal representation and advice in the pending arbitration hearing scheduled for 26 May 2011.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
21	05	2011	Faithful Computers cc	5 400.00	Purchasing of headphones for council chamber.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
23	05	2011	Thermax Equipment	199 600.00	Building of netball courts: Lanquedoc and La Motte sports fields.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

# Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )						
Date of Adjudication			Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation
23	05	2011	Oscar W Meyer	8 940.00	Extension of the appointment of Oscar W Meyer for the additional paving at the Franschhoek town hall.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
24	05	2011	AJ Langenberg	4 290.00	Appointment of AJ Langenberg for printing of photos.	4.36.1(a)(ii) service available from single provider.
26	05	2011	Nolands Forensics (Pty) Ltd	*Final amount subject to finalisation of investigations - linked to budget.	Appointment of Nolands Forensics (Pty) Ltd.	4.36(1)(a)(i)- In an emergency.
27	05	2011	Fairbridges	*Final amount determined after completion	Appointment of external legal services to provide legal representation and advice in the condonation hearing scheduled for 14 April 2011.	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
03	06	2011	D. C Meyer	37 200.00	Installation of paving in Franschhoek Main Road (parking area).	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	06	2011	ODS Consultants	19 200.02	Appointment of an organizational specialist for facilitating an extended recruitment and selection process for technical staff.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
06	06	2011	Franschhoek Country House	46 834.00	Conference facilities for Strategic session - Mayco and Directors - 8-9 June 2011.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
07	06	2011	HMS Amanzi	55 267.20	Repair of Robot submersible standby pump for the Ras Pump Station at Stellenbosch Wastewater Treatment Works.	4.36.1(a)(ii) service available from single provider.
13	06	2011	Cape Armature Winderz Pty Ltd	46 138.08	Repairs to aerator number 6 at Stellenbosch Wastewater Treatment Works (SM WWTW)	4.36(1)(a)(vi)- Repairs to vehicle that need to be stripped to quote.
13	06	2011	Aurecon Consulting Engineers	69 997.43	Appointment of Aurecon Consulting Engineers for the execution of routine and major dam safety inspections and report to DWAF	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
14	06	2011	Cliffe Dekker Hofmeyr Inc.	*Final amount determined after completion	Appointment of external legal services to oppose the matter on the Municipality's behalf - Stall at Stellmark centre .	4.36(1)(a)(i)- In an emergency and 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.
23	06	2011	Gene Louw Traffic College	2 044.58	Ratification of payment for services rendered by Gene Louw Traffic College.	4.36(1)(b)- Ratify any minor breaches.
23	06	2011	Friedlander, Burger & Volkman	31 920.00	Appointment of Friedlander, Burger & Volkman for the Topographical survey for the Municipal office extension.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

\* Due to the nature of court cases it is impossible to determine estimates and therefore appointments are managed by the Legal Section.

## Stellenbosch Municipality

Appendix G for the year ended 30 June 2011

Deviations from, and ratification of minor breaches of, procurement process ( Paragraph 36 of Supply Chain Management Policy )				
Date of Adjudication	Supplier	Contract/ Order Amount	Short Description of Goods/ Services Procured	Reason for deviation

---